

**HALF-YEAR FINANCIAL
REPORT
at 30 June 2017**



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 € 46,256,120
Rome Company Register No. RM 1247386
Tax ID and VAT No. 10654631000
Institutional Website www.tecnoinvestimenti.it

Corporate governance bodies currently in office

Board of Directors

Enrico Salza	Chairman
Pier Andrea Chevallard	Managing Director
Aldo Pia	Director
Alessandro Potestà	Director
Laura Benedetto	Director (independent)
Elisa Corgi	Director (independent)
Gian Paolo Coscia	Director (independent)
Giada Grandi	Director (independent)
Ivanhoe Lo Bello	Director (independent)

Control, Risks and Related Parties Committee

Giada Grandi	Chairwoman
Elisa Corgi	
Alessandro Potestà	

Compensation Committee

Gian Paolo Coscia	Chairman
Laura Benedetto	
Aldo Pia	

Board of Statutory Auditors

Riccardo Ranalli	Chairman
Gianfranco Chinellato	Standing Auditor
Domenica Serra	Standing Auditor
Alberto Sodini	Alternate Auditor
Laura Raselli	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'Acaja, 12 – 10143 Turin
Via Meravigli 7 – 20123 Milan

SUMMARY OF GROUP RESULTS

Summary economic data (€ '000s)	1st Half 2017	1st Half ¹ 2016	Change	Change %
Revenues	85,404	69,892	15,512	22.2%
EBITDA ²	18,386	13,177	5,208	39.5%
Operating result	12,404	8,526	3,878	45.5%
Net Result	7,980	5,104	2,875	56.3%
Adjusted net result ³	10,299	7,055	3,244	46.0%
Earnings per share (in Euro)	0.17	0.16	0.01	7.2%
Adjusted earnings per share (in Euro) ⁴	0.22	0.22	-	-

Summary equity-financial data (€ '000s)	30/06/2017	31/12/2016⁵	Change	Change %
Equity	127,122	129,921	-2,799	-2.2%
Net financial debt	-67,704	-71,230	3,527	-5.0%

¹ The results for the first six months ended 30 June 2016 were re-stated in relation to the completion, on 31 December 2016, of the accounting of the business combinations of Co.Mark (on 24 March 2016), Datafin and Eco-Mind App Factory (acquired at the end of 2015).

² EBITDA is a benchmark used by Group management to monitor and assess the Group's operating performance. The measurement criteria applied by the Group could differ from those adopted by other companies. EBITDA is calculated as the profit (loss) for the year before income taxes, gains or losses on investments, net financial expenses, depreciation and amortisation, accruals to provisions and impairment losses.

³ The Adjusted net result excludes the non-recurring components 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.

⁴ Adjusted earnings per share is the ratio of the adjusted net result to the weighted average number of ordinary shares outstanding, equal to 46,256,120 in First Half 2017 and 31,700,000 in First Half 2016.

⁵ The comparative data at 31 December 2016 were re-stated in relation to the completion, in First Half 2017, of the 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.

INTERIM REPORT ON OPERATIONS

INTRODUCTION

This Interim Report on Operations relates to the Condensed Interim Consolidated Financial Statements of the Tecnoinvestimenti Group at 30 June 2017, prepared in accordance with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and approved by the European Union. The report should be read together with the financial statements and associated Explanatory Notes which make up the Condensed Interim Consolidated Financial Statements of the Tecnoinvestimenti Group at 30 June 2017.

Unless indicated otherwise, all amounts in this report are stated in thousands of Euros.

GROUP ACTIVITIES

The Tecnoinvestimenti Group supplies a wide range of *Digital Trust, Credit Information & Management and Sales & Marketing Solutions* services in Italy and, to a lesser extent, abroad. The Group has developed rapidly in the last few years, as a result of both natural growth and acquisitions targeted at expanding the portfolio of products/services and extending the offering to market sectors considered strategic, through the creation of a third Business Unit and strengthening of the two BUs already in the Group's scope of consolidation.

The Group operates through three Business Units:

1. The Digital Trust Business Unit offers the market IT solutions for digital identity and dematerialisation of processes according to applicable regulations (including the new European regulations eIDAS) and customer and sector compliance standards, through various products and services such as certified e-mail, electronic storage, digital signature, e-invoicing, Telematic Trust Solutions and Enterprise Content Management Solutions. The Group performs *Digital Trust* activities through the InfoCert and Visura Groups.

For the purpose of carrying out specific activities such as provider or manager of certified e-mail, electronic storage and Digital Signature services, InfoCert is qualified as a Certification Authority and accredited by the AgID (Italian Digital Agency of the Italian Government). 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 an Identity Trust Provider, i.e. Digital Identity manager that can issue digital identities to citizens and businesses, thereby managing user authentications to ensure maximum security.

Visura and its subsidiary Lextel are active in the Digital Trust market, primarily through the sale of Telematic Trust Solutions, product resale services such as certified e-mail, digital signature and e-invoicing services provided in turn by InfoCert; they also offer electronic services and manage around a database of 450 thousand customers, including professionals, professional practices, public administrations, professional associations and companies; through ISI, the Visura Group also offers products and services in the IT sector for professional associations such as electronic document generation, CAF Facile (transmission of income tax declaration using 730 and ISEE forms), on-line registered mail.

Sixtema S.p.A., 80%-owned by InfoCert from April 2017, provides IT and management services to companies, authorities, associations and institutions, focusing on the world of the Federation of Italian Artisans and Craftsmen in particular. It has its own data centre, in Modena, through which it provides its own software services in ASP and/or SaaS mode. In addition, as service provider, it provides an integrated technological infrastructure service. Its offer is composed of software solutions - for the fulfilment of all tax and labour legislation obligations, and of various governmental

regulations in general; for the management of all artisan sector financing (“Confidi”, which can be installed on the cloud or locally); management software for micro-firms (installable locally); ERP software for the management of all company areas, conceived and usable solely on the cloud; development of portals and websites (including software, connectivity, application software management services), with over 5,000 users of infrastructural solutions, that utilize, as already stated, the data centre in Modena; advisory services, that primarily offer regulatory interpretation as well as fiscal, tax law, corporate law, labour legislation and contract services; and finally, consultancy and training for internationalisation.

2. The Credit Information & Management Business Unit, provides standardized and value-added services primarily designed to provide support for credit disbursement, assessment and collection processes, in both the banking sector and in the industrial sector.

Within the Credit Information & Management sector the Group operates through the companies Ribes, RE Valuta, Assicom and its subsidiary Creditreform Assicom Ticino.

Ribes offers a complete range of information services to support decision-making processes for the granting, assessment and collection of credit. Assicom offers credit management and business information services, through a business model characterised by the integration of services, with the aim of supporting SMEs at every stage of the credit management process. Assicom 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 creates and provides assessment services regarding the actual value of real estate collateral during the granting of bank loans.

3. The Sales & Marketing Solutions Business Unit provides value-added services, mainly to support small and medium enterprises or networks of businesses wishing to expand internationally, find new customers and develop commercial opportunities in Italy and abroad. The Group has had a presence in Italy in Sales & Marketing Solutions with Co.Mark S.p.A. since 2016, and in the Spanish market with its Spanish subsidiary Co.Mark TES. The Co.Mark Group provides its services primarily through its team of TES® (Temporary Export Specialist®), that provide linguistic, strategic and commercial expertise needed to start export activities in foreign markets. Through acceptance of the offer of the Sales & Marketing Solutions BU, corporate customers can benefit from strategic support in terms of method, tools and expertise to create effective foreign commercial networks that produce concrete results in the short term.

KEY EVENTS OF THE PERIOD

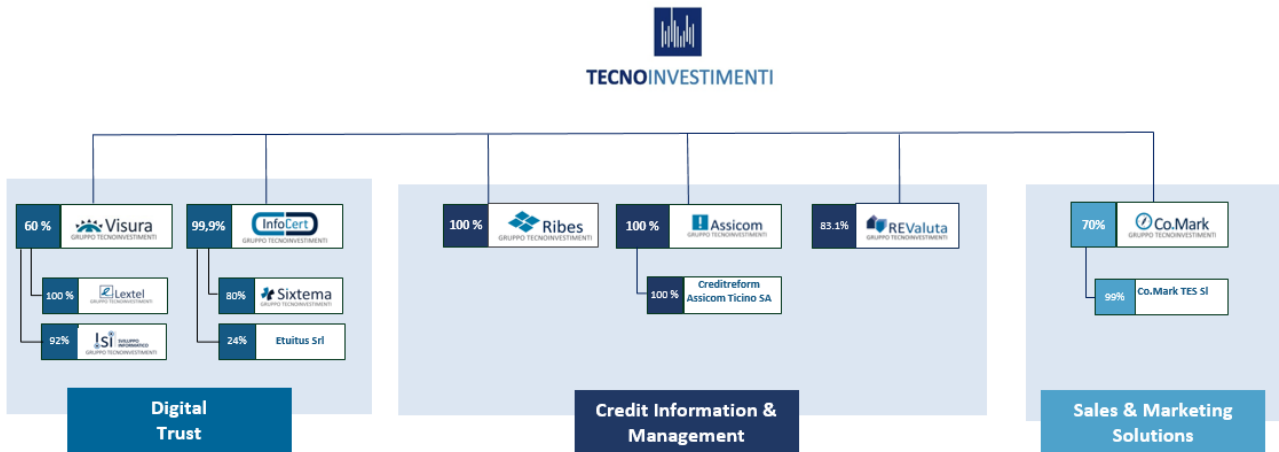
An overview of the key events that occurred in First Half 2017 is provided as follows:

1. On 28 March 2017, the Board of Directors of Tecnoinvestimenti, chaired by Enrico Salza, approved the proposal from the Managing Director, Pier Andrea Chevallard, to exercise the purchase options relating to the minorities of the two subsidiaries Ribes and Assicom which operate in the Credit Information & Management Strategic Business Unit (SBU), thereby obtaining full control of them. The decision allows Tecnoinvestimenti to promote the integration of the two companies with a view to tackling increasing competition and grasping the opportunities offered by the market, both in the corporate and financial sectors. The purchase option on the 12.5% of the minorities of Ribes was exercised in the first contractual window, while the purchase of the 32.5% stake in Assicom, held by Quaranta Holding S.r.l. and Capitoloundici S.p.A. was carried out partially ahead of time with respect to the contractual agreements. Those agreements made provision for the exercising of the options in two tranches, the first at the time of approval of the 2016 financial statements and the second on approval of the 2017 financial statements.
2. As a result of the resolution of the Board of Directors, a contract was signed on 28 March 2017 for the acquisition of the minorities of Assicom held by the shareholders Capitoloundici S.p.A. (10%) and Quaranta Holding S.r.l. (22.5%) for a total of € 27,976 thousand.
3. On 3 April 2017, the shareholders' meeting of Ribes S.p.A. resolved the distribution of an extraordinary dividend in kind to the shareholders Tecnoinvestimenti S.p.A. and Coesa S.p.A, equal to 95% of the share capital of RE Valuta S.p.A., for a nominal share of € 190,000, in proportion to the shareholding held in Ribes S.p.A.. As a result of this distribution, Tecnoinvestimenti S.p.A. holds a stake in RE Valuta S.p.A. amounting to a nominal € 166,250 (83.125%) and Coesa S.p.A. also holds a stake in RE Valuta S.p.A. for a nominal € 23,750 (11.875%). There are Put&Call option rights on Coesa S.p.A.'s, shares (in RE Valuta) which can be exercised after approval of RE Valuta's 2018 or 2019 financial statements.
4. On 13 April 2017, InfoCert S.p.A. signed the purchase contract, obtaining 80% control of Sixtema S.p.A., (with respect to the previous stake of 35%), an ICT company specialising in the production of software for the SME sector. The transaction allowed the acquisition of 45% of Sixtema's share capital, based on a fixed component, amounting to € 2,150 thousand paid at the closing date (20 April 2017), and a variable component, which will be an amount between a minimum of € 250 thousand and a maximum amount of € 1,750 thousand, to be paid following the approval of Sixtema's 2018 financial statements. Put&Call options were stipulated for the remaining 20% still held by the minority shareholders, which can be exercised in a single transaction following the approval of the 2018 financial statements.
5. The acquisition of the remaining 12.5% of Ribes S.p.A. was formalised on 13 April 2017, by exercising the purchase option for it. The financial outlay totaled € 7 million.
6. On 27 April 2017, the companies Tecnoinvestimenti S.p.A., Ribes S.p.A. and Assicom S.p.A. signed an agreement to refinancing the outstanding debt at 31 March 2017 with Cariparma and Friuladria, amounting to € 27.5 million, split between Tecnoinvestimenti (€ 18.3 million), Ribes S.p.A. (€ 6.5 million) and Assicom S.p.A. (€ 2.7 million), with a significant benefit in terms of reduced financial expenses, which will be realised over the next few years. The main terms of the contract are as follows:
 - a. Term loan facility replacing the previous one for a total of € 30 million, expiring on 30 June 2023 (Tecnoinvestimenti for € 20.8 million to Cariparma, Ribes for € 6.5 million to Cariparma and Assicom for € 2.7 million to Friuladria), repaid in six-monthly instalments at 6-month Euribor plus 130 basis points; starting from the date of approval of Tecnoinvestimenti

Group's Consolidated Financial Statements at 31 December 2017, the margin applicable from the interest period subsequent to the date of approval of the aforementioned Consolidated Financial Statements will be determined on the basis of the Debt Cover Ratio, hereinafter "DCR" (ratio between Net Financial Position ("NFP") and EBITDA), as follows: $DCR \geq 3$: Margin 145 basis points; $DCR < 3$ and ≥ 1 : Margin 130 basis points; $DCR < 1$: margin 115 basis points;

- b. An additional Capex facility line available on request, not drawn down at 30 June 2017, for €15 million at 6-month Euribor plus 160 basis points, expiring on 30 June 2023; starting from the date of approval of the Tecnoinvestimenti Group's Consolidated Financial Statements at 31 December 2017, the margin applicable from the interest period subsequent to the date of approval of the aforementioned Consolidated Financial Statements will be determined on the basis of the Debt Cover Ratio, hereinafter "DCR" (ratio between NFP and EBITDA), as follows: $DCR \geq 3$: Margin 175 basis points; $DCR < 3$ and ≥ 1 : Margin 160 basis points; $DCR < 1$ margin: 145 basis points;
- c. Modification of covenants calculated on Tecnoinvestimenti Group's Consolidated Financial Statements, with half-year cadence on a pro-forma basis taking account of extraordinary transactions. Tecnoinvestimenti S.p.A. is committed from 30 June 2017 to respect the following limits, with a control every six months: maximum DCR threshold of 3.5 and NFP/Equity ratio of 2.0.
- d. Elimination of guarantees that secured the prior pool financing (pledge of Ribes and InfoCert shares)

The chart that follows outlines the structure of the Tecnoinvestimenti Group, including controlling interests held, at 30 June 2017.



GROUP ECONOMIC RESULTS

The Group closed First Half 2017 with revenues of € 85,404 thousand, marking an increase of € 15,512 thousand over the first half in the previous year (+22.2%). EBITDA⁶ improved from € 13,177 thousand in First Half 2016 to € 18,386 thousand in First Half 2017, a growth of 39.5%, equal to € 5,208 thousand in absolute value. The Operating Profit and the Net Result increased by 45.5% and 56.3%, respectively. The results reported by the Group confirm the effectiveness of the strategic decisions, which benefitted from the acquisitions policy initiated in previous years, and which continued in 2016 with the entry of the Co.Mark and Visura Groups, and in 2017 with the acquisition of control of Sixtema S.p.A. by InfoCert S.p.A. (consolidated on a line-by-line basis from the second quarter of 2017).

The table below shows the economic results for First Half 2017 compared with the same period in the previous year:

Consolidated condensed income statement (€ '000s)	1st Half 2017 ⁷	%	1st Half 2016 ⁸	%	Change	%
Revenues	85,404	100.0%	69,892	100.0%	15,512	22.2%
EBITDA	18,386	21.5%	13,177	18.9%	5,208	39.5%
Operating result	12,404	14.5%	8,526	12.2%	3,878	45.5%
Net Result	7,980	9.3%	5,104	7.3%	2,875	56.3%

The table below shows the main Group results net of non-recurring components:

Income Statement net of non-recurring components (€ '000s)	1st Half 2017 ⁷	%	1st Half 2016 ⁸	%	Change	Change %
Revenues	85,404	100.0%	69,892	100%	15,512	22.2%
EBITDA	19,523	22.9%	14,158	20.3%	5,365	37.9%
Operating result	13,541	15.9%	9,507	13.6%	4,034	42.4%
Net Result	8,716	10.2%	5,906	8.5%	2,809	47.6%

In First Half 2017, non-recurring expenses were incurred totalling € 1,137 thousand, and non-recurring financial income amounted to € 107 thousand. The former relate, for € 757 thousand, to expenses connected with evaluations of possible target companies and, for € 380 thousand, to costs connected with the exit of the previous Managing Director of Assicom, resulting from the acquisition of 100% of the company; non-recurring income derives from the fair value measurement of 35% of the interest in Sixtema before the

⁶ EBITDA is a benchmark used by Group management to monitor and assess the Group's operating performance. EBITDA is calculated as the profit (loss) for the year before income taxes, net financial expenses, gains or losses on investments, depreciation and amortisation, accruals to provisions and impairment losses.

⁷ The results for First Half 2017 include the effect of the acquisitions made in 2016 and in First Half 2017 (the Co.Mark Group, consolidated from 1 April 2016, the Visura Group, consolidated from 1 July 2016 and Sixtema, consolidated from 1 April 2017).

⁸ The results for the first six months ended at 30 June 2016 were re-stated in relation to the completion, on 31 December 2016, of the accounting of the business combinations of Co.Mark (on 24 March 2016), Datafin and Eco-Mind App Factory (acquired at the end of 2015).

acquisition of a further 45% in April 2017. Net of the tax effect, the Group net result adjusted for non-recurring components would have been € 8,716 thousand, accounting for 10.2% of revenues. In First Half 2016, non-recurring expenses totalled € 980 thousand (expenses incurred for the acquisitions of the Co.Mark and Visura Groups and expenses for the listing on Borsa Italiana's STAR segment, realised in August 2016). The increase in the net result, net of non-recurring components, amounted to € 2,809 thousand in absolute value, marking an increase of 47.6%.

The Group pro-forma results of First Half 2017 net of non-recurring components, calculated on the basis of the same scope of consolidation as First Half 2016, show a decrease of 1.2% in revenues, offset by a cost recovery policy that enabled the Group to increase profit margins by 3 percentage points for EBITDA, 8 percentage points for the Operating Result and 9 percentage points for the Net Result. The fall in revenues is the result of the difficulties of the Credit Information & Management market, which the Group was able to offset thanks to the highly flexible company economic structure, and thereby generate positive results.

The table below shows the pro-forma data of First Half 2017 (same scope of consolidation as First Half 2016) net of non-recurring components, compared with the data for First Half 2016 net of non-recurring components:

Income Statement net of non-recurring components <i>(€ '000s)</i>	1st Half 2017 Pro-Forma	%	1st Half 2016⁹	%	Change	%
Revenues	69,022	100.0%	69,892	100.0%	-870	-1.2%
EBITDA	14,589	21.1%	14,158	20.3%	431	3.0%
Operating result	10,266	14.9%	9,507	13.6%	760	8.0%
Net Result	6,441	9.3%	5,906	8.5%	534	9.0%

The method of construction of the Adjusted net result for the period is shown below, used to present the Group's operating performance, net of non-recurring components 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 not strictly related to the activities and management of the "core business", and therefore permits an analysis of the Group's performance in a more homogeneous manner in the periods presented.

Consolidated Condensed Income Statement <i>(€ '000s)</i>	1st Half 2017	1st Half 2016⁹	Change	%
Net result for the period	7,980	5,104	2,875	56.3%
Non-recurring costs of services	757	980	-223	
Non-recurring personnel costs	380	-	380	
Amortisation of intangible assets that emerged at the time of allocation	2,227	1,699	528	
Non-recurring financial income	-107	-	-107	
Tax effect	-937	-729	-208	
Adjusted net result for the period	10,299	7,055	3,244	46.0%

⁹ The results for the first six months ended 30 June 2016 were re-stated in relation to the completion, on 31 December 2016, of the accounting of the business combinations of Co.Mark (on 24 March 2016), Datafin and Eco-Mind App Factory (acquired at the end of 2015).

The table below provides details of the income statement (including the non-recurring components 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):

Consolidated Income Statement (€ '000s)	1st Half 2017	%	1st Half 2016¹⁰	%	Change	Change %
Revenues	85,404	100.0%	69,892	100.0%	15,512	22.2%
Total Operating Costs	67,018	78.5%	56,715	81.1%	10,303	18.2%
Costs of raw materials	2,843	3.3%	3,184	4.6%	-342	-10.7%
Costs of services	33,347	39.0%	30,011	42.9%	3,336	11.1%
Personnel costs	29,801	34.9%	22,737	32.5%	7,064	31.1%
Other operating costs	1,028	1.2%	782	1.1%	245	31.4%
EBITDA	18,386	21.5%	13,177	18.9%	5,208	39.5%
Amortisation, depreciation, impairment and provisions	5,981	7.0%	4,651	6.7%	1,331	28.6%
Operating Profit	12,404	14.5%	8,526	12.2%	3,878	45.5%
Financial income	259	0.3%	21	0.0%	238	1,147.4%
Financial expenses	981	1.1%	712	1.0%	269	37.8%
Result of equity-accounted investments	2	0.0%	-32	0.0%	34	-107.7%
Taxes	3,705	4.3%	2,700	3.9%	1,006	37.3%
Net Result	7,980	9.3%	5,104	7.3%	2,876	56.3%

Revenues rose from € 69,892 thousand in First Half 2016 to € 85,404 thousand in First Half 2017, a growth of 22.2%, equal to € 15,512 thousand. Increased revenues in the half compared to First Half 2016, excluding intercompany eliminations, amounted to € 4,662 thousand for the Co.Mark Group (First Quarter 2017), €9,479 thousand for the Visura Group (First Half 2017), and € 3,456 thousand for Sixtema S.p.A. (Second Quarter 2017).

Results by business segments

The results of the “Business Segments” are measured by analysing EBITDA performance, defined as profit for the period before depreciation and amortisation, accruals to provisions, impairment losses, financial income and expense, gains or losses from investments and taxes.

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

The growth trends by business segment are shown in the table below, which reports the revenues of First Half 2017, compared with the same period in the previous year:

¹⁰ The results for the first six months ended 30 June 2016 were re-stated in relation to the completion, on 31 December 2016, of the accounting of the business combinations of Co.Mark (on 24 March 2016), Datafin and Eco-Mind App Factory (acquired at the end of 2015).

Condensed Income Statement by Business Segment	Digital Trust		Credit Information & Management		Sales & Marketing Solutions		Other sectors (Holding Company Costs)		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<i>(€ '000s)</i>										
<i>Six-month period closed at 30 June</i>										
Sector revenues	39,215	25,170	36,921	40,037	9,407	4,619	251	289	85,794	70,115
Intra-group revenues	32	12	109	19	0	0	250	192	390	223
Revenues from third-party clients	39,184	25,158	36,813	40,018	9,407	4,619	1	98	85,404	69,892
EBITDA	10,039	5,893	7,462	8,077	3,677	1,928	-2,793	-2,721	18,386	13,177
EBITDA %	25.6%	23.4%	20.3%	20.2%	39.1%	41.7%	n.a.	n.a.	21.5%	18.9%

The new acquisitions completed in 2016 (Co.Mark and Visura) and the line-by-line consolidation of Sixtema from April 2017 (Second Quarter) had a positive impact on the Group's profitability, up from 18.9% in First Half 2016 to 21.5% in First Half 2017, with a growth of € 5,208 thousand in absolute terms.

Digital Trust

Digital Trust revenues rose from € 25,158 thousand in First Half 2016 to € 39,184 thousand in First Half 2017, a growth of 55.7%, equal to € 14,025 thousand. The acquisitions of the Visura Group (consolidated from 1 July 2016) and of Sixtema S.p.A. (consolidated from the Second Quarter of 2017) made a significant contribution to this result. Net of revenues for new acquisitions, the Digital Trust sector grew by 8.7%. Sector EBITDA also recorded an increase, up from 23.4% to 25.6%, equal to € 4,146 thousand in absolute value.

The trends already communicated in the first quarter of the year are confirmed, with the segment's operating results continuing to provide evidence of an encouraging growth trend. The higher turnover volumes are attributable to an across-the-board increase reported for virtually all of the company's products and services, both in the Mass market (website) and the Solutions market (Large Customers area). The growth in the solutions market reflects InfoCert's increasing ability to operate in the marketplace not just as a Certification Authority, but also as a promoter of innovative solutions to support the processes of its corporate customers. Excluding intercompany eliminations, the Visura Group made a significant contribution to the sector's performance, with revenues of € 9,479 thousand and EBITDA of € 2,844 thousand, equal to 30.0% of revenues. The results achieved are attributable not only to aspects described above, but are the result of industrial and commercial synergies developed between the two Groups (InfoCert and Visura) and aimed at directing the Digital Trust offering at Trade Associations. A fresh stimulus to growth, particularly coming from the world of the national federation of artisans, can be realized in the second half with the full integration of Sixtema S.p.A. into the Group.

Credit Information & Management

In the Credit Information & Management sector, revenues recorded a reduction compared to the corresponding half in the previous year, down by € 3,205 thousand (-8.0%) from € 40,018 thousand in First Half 2016 to € 36,813 thousand in First Half 2017. In terms of profit margins, the value of EBITDA fell by € 615 thousand compared to the previous half, down from € 8,077 thousand in First Half 2016 to € 7,462 thousand in First Half 2017. The decrease in the margin was impacted significantly by non-recurring costs, amounting to € 380 thousand, registered by Assicom and connected with the exit of the previous managing director as a result of the acquisition of minorities by Tecnoinvestimenti. Despite the drop in revenues and the additional extraordinary costs, the Business Unit, thanks to a careful cost control policy and the industrial

synergies created, managed to maintain the profit margin in percentage terms, with a 2017 EBITDA margin of 20.3%, compared to 20.2% in First Half 2016.

The difficulties recorded by the Credit Information & Management area in First Half 2017 are primarily attributable to the market trends characterised by static demand, the consolidation of the main players, achieved in particular via external growth policies, and the entry to the competitive scenario of operators that employ highly aggressive pricing policies. In light of these elements, already from the start of Second Half 2017, Group management will guide the development and growth of the business unit through the implementation of the merger project (as better described in the section *Key events subsequent to the end of the half-year*) and the investment plan already drawn up, which will ensure improvements in the industrial processes and the development of an offering better equipped to deal with the competitive challenges of the market.

Sales & Marketing Solutions

As stated in the introductory section, the Sales & Marketing Solutions sector was created in March 2016 thanks to the acquisition of the Co.Mark Group. The economic results of the sector are therefore included in the consolidated total of Tecnoinvestimenti Group from 1 April 2016.

Sector revenues in First Half 2017 totalled € 9,407 thousand, with an EBITDA margin of 39.1%, equal to € 3,677 thousand in absolute value. The results achieved should be viewed in a positive light and are consistent with the growth trend registered by the Co.Mark Group in the last few years.

It is also worth mentioning that, thanks to the activities of the subsidiary Co.Mark TES S.l., the Co.Mark Group is developing its commercial and production activities in Spain.

Operating costs rose from € 56,715 thousand in First Half 2016 to € 67,018 thousand in 2017, a growth of 18.2%, equal to € 10,303 thousand. The growth is largely due to the acquisitions of the Co.Mark and Visura Groups (2016), as well as the acquisition of 45% of Sixtema S.p.A. which, combined with the 35% previously owned, is subsequently fully consolidated by the Group. The recent acquisitions, as well as the results achieved through the policy of increasing the efficiency of procurement and product processes, brought the percentage incidence of operating costs with respect to revenues to 78.5% in First Half 2017, compared to 81.1% in First Half 2016.

Costs of services amounted to € 33,347 thousand, an increase of 11.1% compared to First Half 2016. Also in this case, the increase is due to the expansion of the scope of consolidation; in fact, on a constant 2016 scope of consolidation, costs of services decreased by € 1,256 thousand, thanks to the containment policies implemented during the year.

Personnel costs rose by 31.1% from € 22,737 thousand to € 29,801 thousand. This increase is due to the higher costs deriving from the new acquisitions and strengthening of the Group's organisational structure.

Other operating costs rose from € 782 thousand in First Half 2016 to € 1,028 thousand in First Half 2017.

The item **Depreciation, amortisation, provisions and impairment**, totalling € 5,981 thousand, marking an increase of € 1,331 thousand (+28.6%), is composed of:

- depreciation of property, plant and equipment of € 1,310 thousand, an increase of € 218 thousand over the previous year;
- amortisation of intangible assets of € 3,853 thousand, an increase of € 846 thousand, mainly attributable to an increase of € 528 thousand recorded on the amortisation of intangible assets which

arose upon the allocation of the excess costs for the acquisitions undertaken; the effects of the amortisation of the Visura Group's customer list equal to € 721 thousand, which was accounted for in First Half 2017;

- higher write-downs of trade receivables for roughly € 266 thousand.

Net financial expenses rose from € 691 thousand in First Half 2016 to € 722 thousand in First Half 2017, an increase of € 31 thousand. The most significant changes are attributable to non-recurring income of € 107 thousand resulting from the fair value measurement of 35% of the interest in Sixtema held before the acquisition of a further 45%, and the incremental expenses deriving from the loan from the controlling shareholder Tecno Holding, disbursed in two tranches in 2016 and fully outstanding at June 2017.

Income taxes, calculated on the basis of the tax rates applicable to the reporting year under current tax laws, amounts to € 3,705 thousand, compared to € 2,700 thousand in the previous half. The tax rate is equal to 31.7%, and the decrease compared to First Half 2016 (34.6%) is attributable mainly to the reduction in the IRES (corporate income tax) rate from 27.5% to 24%.

Pro-forma results net of non-recurring components

The table below shows the 2017 Pro-forma results net of non-recurring components divided by business segments in order to provide the reader with more transparent information with respect to the business performance. The pro-forma data are constructed based on the 2016 scope of consolidation, therefore excluding the results of First Quarter of the Co.Mark Group, of First Half of the Visura Group, of Second Quarter of Sixtema S.p.A., and were not subject to audit.

Condensed Income Statement by operating sectors - 2017 Pro-forma Comparison (€ '000s)	Digital Trust		Credit Information & Management		Sales & Marketing Solutions		Other sectors (Holding Company Costs)		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	<i>Six-month period closed at 30 June</i>									
Revenues from third-party clients	27,342	25,158	36,934	40,018	4,744	4,619	1	98	69,022	69,892
EBITDA	6,899	5,893	7,992	8,077	1,885	1,928	-2,186	-1,741	14,589	14,158
EBITDA %	25.2%	23.4%	21.6%	20.2%	39.7%	41.7%	n.a.	n.a.	21.1%	20.3%

As already outlined previously, the Digital Trust sector reported growth of 8.7% in turnover compared to First Half 2016 and EBITDA rose by 17.1%. By contrast, the Credit Information & Management sector reported a decrease (see the comments in the relevant section).

GROUP EQUITY AND FINANCIAL SITUATION

The Group's Equity Situation at 30 June 2017 compared with 31 December 2016, is reported as follows:

€ '000s

	30/06/2017	% of net invested capital/Total sources	31/12/2016 ¹¹	% of net invested capital/Total sources	Change	Change %
Intangible assets and goodwill	199,507	102%	200,690	100%	-1,183	-1%
Property, plant and equipment	8,963	5%	7,050	4%	1,913	27%
Other net non-current assets and liabilities	-16,155	-8%	-9,686	-5%	-6,469	67%
Total non-current assets/liabilities	192,316	99%	198,054	98%	-5,738	-3%
Inventories	876	0%	1,001	0%	-125	-13%
Trade and other receivables *	61,301	31%	51,084	25%	10,217	20%
Current tax assets	2,938	2%	3,659	2%	-721	-20%
Assets held for sale	329	0%	199	0%	130	65%
Trade and other payables and deferred revenue and income	-59,964	-31%	-50,917	-25%	-9,047	18%
Current employee benefits	-139	0%	-182	0%	42	-24%
Current tax liabilities	-2,673	-1%	-1,481	-1%	-1,191	80%
Current provisions for risks and charges	-157	0%	-265	0%	108	-41%
Net working capital	2,509	1%	3,097	2%	-588	-19%
Total loans - net invested capital	194,825	100%	201,151	100%	-6,326	-3%
Equity	127,122	65%	129,921	65%	-2,799	-2%
Net financial debt	67,704	35%	71,230	35%	-3,527	-5%
Total sources	194,825	100%	201,151	100%	-6,326	-3%

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

The breakdown of Other net non-current assets and liabilities is provided below:

€ '000s

Other net non-current assets and liabilities	30/06/2017	31/12/2016	Change	Change %
Equity-accounted investments	12	2,471	-2,459	-100%
Equity investments recognised at cost or fair value	17	11	6	59%
Other financial assets excluding derivative fin. instruments	587	2,898	-2,311	-80%
Derivative financial instruments	50	0	50	100%
Deferred tax assets	3,120	2,898	222	8%
Other receivables	360	210	150	71%
Non-current assets	4,146	8,488	-4,341	-51%
Provisions	-1,345	-1,279	-66	5%
Deferred tax liabilities	-9,670	-10,163	493	-5%
Employee benefits	-8,477	-6,186	-2,291	37%
Deferred revenue and income	-809	-546	-263	48%
Non-current liabilities	-20,301	-18,174	-2,127	12%
Total net non-current assets/liabilities	-16,155	-9,686	-6,469	67%

¹¹ The comparative data at 31 December 2016 were re-stated in relation to the completion, in the First Half 2017, of the 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.

The significant changes which concerned the Group's equity and financial position relate to the acquisition of 45% of Sixtema S.p.A. in the current month of April, thanks to which InfoCert S.p.A. acquired control of the company based on the previous 35% already owned. The investment was thereby fully consolidated, reducing the item Equity-accounted investments. In addition, worthy of note is the reclassification to Other current financial assets of Visura Group's investment contracts, booked for around € 2,300 thousand at 31 December 2016 under Other non-current financial assets, as a result of the resolution of the Board of Directors which decided to unwind them before their scheduled maturities..

Equity decreased by € 2,799 thousand. The change is mainly due to the payment of dividends totalling € 6,977 thousand, the negative adjustment of Put options on the minority shareholdings for € 3,607 thousand and the profit accrued in the half totalling € 7,980 thousand.

Please consult the Statement of changes in equity for an overview of all changes.

Group Net Financial Position

The table below provides details of the Group's net financial debt at 30 June 2017 compared with the same position at 31 December 2016:

€'000s	30/06/2017	31/12/2016	Change	%
A Cash	37,194	60,377	-23,183	-38%
B Cash and cash equivalents	66	54	11	21%
D Liquidity (A+B)	37,259	60,431	-23,172	-38%
E Current financial receivables	5,344	6,352	-1,009	-16%
F Current bank payables	-4,619	-2,812	-1,807	64%
G Current portion of non-current debt	-5,508	-7,303	1,795	-25%
H Other current financial payables	-19,255	-26,832	7,578	-28%
I Current financial debt (F+G+H)	-29,381	-36,947	7,566	-20%
J Net current financial position (D+E+I)	13,222	29,836	-16,615	-56%
K Non-current bank payables	-24,809	-22,869	-1,940	8%
L Other non-current financial debt	-56,116	-78,198	22,082	-28%
M Non-current financial position (K+L)	-80,925	-101,067	20,142	-20%
N Net financial position (indebtedness) (J+M) (*)	-67,704	-71,230	3,527	-5%
O Other non-current financial assets	637	2,898	-2,261	-78%
P Total net financial position (indebtedness) (N+O)	-67,067	-68,333	1,266	-2%

(*) 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 by € 3,527 thousand, down from € 71,230 thousand at 31 December 2016 to € 67,704 thousand at 30 June 2017. The amount of net financial debt at 30 June 2017 includes € 40,221 thousand in payables for the acquisition of the minority shareholdings of the companies acquired, of which € 36,247 thousand for Put&Call options and € 3,974 thousand for potential considerations.

In particular, the following should be noted:

1. The decrease of € 23,172 thousand in liquidity is attributable to:

- a. the liquidity generated by operations totalling € 17,434 thousand;
 - b. the liquidity generated by investment activities totalling € 2,411 thousand. This increase in liquidity is attributable mainly to the disposal of investment contracts held by InfoCert S.p.A. which expired on 1 April 2017 and the acquisition of an additional stake of 45% in Sixtema S.p.A., which generated net cash of € 1,124 thousand (based on the difference between the price paid and the cash acquired).
 - c. liquidity absorbed by financing activities for € 43,017 thousand (acquisition of minorities of Assicom and Ribes for € 35,057 thousand). Dividends of € 6,977 thousand were also paid out.
2. Current financial receivables fell by € 1,009 thousand. The amount is primarily the combined effect of the expiry of InfoCert's investment contracts, booked for € 3,405 thousand at 31 December 2016, and the reclassification of Visura/ISI's investment contracts from non-current financial assets for an amount of € 2,293 thousand at 30 June 2017.
 3. The decrease in current financial debt is attributable to the exercising of the minority owned Put options of Assicom (10% owned by Capitoloundici) and Ribes (12.5% owned by Coesa), which allowed Tecnoinvestimenti to acquire 100% of the shares of the two companies, recognised for € 15,593 thousand at 31 December 2016. At the same time, the Put option on Co.Mark, exercisable in First Half 2018 for an amount of € 7,499 thousand and the Earn-out of Eco-Mind App Factory totalling € 227 thousand, also exercisable by 30 June 2018, were reclassified from non-current financial assets.
 4. Non-current bank payables rose due to the refinancing of the residual debt outstanding at 31 March 2017 which allowed the Group, as indicated in point 6 of the key events of the period, to extend the maturity to 30 June 2023.
 5. Other non-current financial payables fell by a total of € 22,082 thousand, due to:
 - a. the early exercising of the Quaranta Holding put option on the 22.5% stake in Assicom exercisable in 2018, booked for € 17,992 thousand at 31 December 2016;
 - b. reclassification to current financial payables of the Co.Mark put option exercisable in 2018 for a further 10%, booked for € 7,216 thousand at 31 December 2016;
 - c. reclassification of the deferred consideration to Co.Mark shareholders for the acquisition of the company totalling € 1,400 thousand, expiring in First Half 2018;
 - d. new put options for the acquisitions of the residual capital of RE Valuta and Sixtema totalling € 2,669 thousand;
 - e. contingent consideration connected with the acquisition of control of Sixtema for € 1,175 thousand; and
 - f. the booking of a non-current financial liability linked to a finance lease of Sixtema for € 555 thousand.

BUSINESS OUTLOOK

In Second Half 2017, the Group will continue its operating activities in line with those of the first half.

In particular, the Credit Information & Management sector should benefit from the effects of the reorganisation process underway which, as communicated on 25 July 2017, will culminate in the merger between Ribes and Assicom before the end of the year. The merger responds to the need to bolster the Group's market position in the Credit Information & Management sector, as well strengthen the financial

solidity and profit-generating capacity of the companies being merged, in order to support more effectively the development programmes of the respective companies.

The merger will also develop and optimise the operating and management synergies between the two companies, ensure better creation of value for the Tecnoinvestimenti Group and, potentially, further the acceleration of investments in databases and thereby the development of innovative products. In fact, the synergies stemming from the merger will allow a gradual increase in the EBITDA margin of the combined entity by more than 3 percentage points by the end of 2018.

In the Digital Trust area, during Second Half 2017, a further increase in revenues is forecast deriving from the entry to the scope of consolidation of Sixtema S.p.A., through which it will be possible to channel standard products and services offered to the market by InfoCert and the other companies in the Tecnoinvestimenti Group, also to other reference markets, specifically the Italian small business market.

The Sales & Marketing Solutions sector predicts developments in Second Half 2017 consistent with the trend recorded in First Half 2017.

MAIN GROUP RISKS AND UNCERTAINTIES

The Group is exposed to various financial risks: market risks (interest rate and price risk), liquidity risk and credit risk.

Liquidity risk is managed through careful management and control of operating cash flows.

The Group is exposed to the price risk of the services acquired (cost of raw data), managed through agreements with counterparties under pre-defined price conditions.

Credit risk relates exclusively to trade receivables, but the Group believes these risks to be irrelevant given that the sales policies were devised with the goal of establishing relations with customers of adequate dimensions and risk profiles.

For more information on the main risks and uncertainties to which the company's Financial Statements are subject, please refer to the section "Management of financial risks" in the Notes to the Financial Statements.

KEY EVENTS SUBSEQUENT TO THE END OF THE HALF-YEAR

A centralised Group treasury management system (cash pooling) was established on 1 July 2017, overseen by the Parent Company Tecnoinvestimenti S.p.A.. The Group companies participating in the cash pooling are Assicom S.p.A., Co.Mark S.p.A., InfoCert S.p.A., ISI S.r.l., Lextel S.p.A., RE Valuta S.p.A., Ribes S.p.A. and Visura S.p.A..

On 6 July 2017, Tecnoinvestimenti S.p.A. concluded the purchase of an additional 10% in Co.Mark S.p.A. which operates in the Sales & Marketing Solutions sector, for a total compensation of € 6.655 thousand, following the exercising of the first Put option by minority shareholders as per the timing foreseen by contractual agreements. The original contract for the acquisition of the 70% stake required the remaining 30% held by the founding shareholders to be subject to Put & Call option rights exercisable in three annual instalments of 10% each, at a price calculated by applying a variable multiple on annual EBITDA based on the growth rates registered. Consequently, Tecnoinvestimenti's stake in Co.Mark S.p.A rose to 80%.

On 20 July, Tecnoinvestimenti S.p.A. announced that, based on the results of the annual financial statements of the companies in the Tecnoinvestimenti Group, the condition set forth in art. 3 of the Regulation of the "Warrants Tecnoinvestimenti 2016-2019" was satisfied. Therefore, Cedacri S.p.A. - shareholder that, based on the information publicly available, holds a 4.95% stake in Tecnoinvestimenti S.p.A. - will be entitled, up until 30 September 2017, to exercise the first tranche of warrants held up to a maximum of 317,000 warrants. The 317,000 warrants, corresponding to 317,000 new ordinary shares of Tecnoinvestimenti S.p.A. (equal to 0.685% of the latter's current share capital), will be exercisable at a subscription price of € 3.40, determined in accordance with the above-mentioned Regulation. Cedacri's shareholding in Tecnoinvestimenti S.p.A. was subject to a lock-up agreement that expired on 6 August 2017.

The merger between the two subsidiaries Assicom S.p.A. and Ribes S.p.A. was approved on 25 July 2017; the respective Boards of Directors unanimously approved the plan for the merger by incorporation of Ribes in Assicom. The new company is expected to be formed, based on prior approval of the merger by the shareholders' meetings of the respective companies and an examination of the information and trade union consultation procedures, before the end of 2017. The merger, planned for 2018, was accelerated following the purchase, between March and April 2017, by the Parent Company Tecnoinvestimenti, of the minority shareholdings of the two companies operating in the Credit Information & Management area. The planned merger between Assicom and Ribes is based on the objective of Tecnoinvestimenti S.p.A., now the sole shareholder of both companies, to establish a single operator, managed organically and therefore capable of adopting a dynamic approach to the reference market, strengthening its medium-term competitive positioning. Revenue and cost synergies will allow the combined company to gradually invest in the expansion of the information database and the extension of the product range in all the markets in which it operates (financial, corporate SMEs and professionals), in Credit Information services and Credit Management services. The synergies will allow a gradual increase in the EBITDA margin of the combined entity by more than 3 percentage points by the end of 2018. This target will be reached through the simplification of Corporate Governance, exploiting some selective operating synergies and increased competitiveness in the value-added services which will be offered to customers of the Tecnoinvestimenti Group, thanks to the investments in expanding the proprietary databases already in progress.

RELATIONS WITH RELATED PARTIES

The information relating to existing relations with Related Parties at 30 June 2017, including that required by Consob Communication of 28 July 2006, is detailed in the Notes to the Condensed Interim Consolidated Financial Statements. All transactions with Related Parties are part of normal business operations and are carried out at normal market conditions.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2017

Financial Statements and Notes

CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

Consolidated statement of financial position

€ '000s	Notes	30/06/2017	31/12/2016 ¹²
ASSETS			
Property, plant and equipment	13	8,963	7,050
Intangible assets and goodwill	14	199,507	200,690
Equity-accounted investments	15	12	2,471
Equity investments recognised at cost or fair value	15	17	11
Other financial assets, excluding derivative financial instruments	16	587	2,898
Derivative financial instruments	22	50	0
Deferred tax assets	17	3,120	2,898
Trade and other receivables	18	687	351
NON-CURRENT ASSETS		212,944	216,368
Inventories	19	876	1,001
Other financial assets, excluding derivative financial instruments	20	5,344	6,352
Current tax assets	21	2,938	3,659
- of which vs Related Parties	39	2,662	2,083
Trade and other receivables	18	60,974	50,948
- of which vs Related Parties	39	165	237
Cash and cash equivalents	23	37,259	60,431
Assets held for sale	13	329	199
CURRENT ASSETS		107,719	122,590
TOTAL ASSETS		320,663	338,958
EQUITY			
Share capital		46,256	46,256
Reserves		80,673	83,478
Equity attributable to Shareholders of the Parent Company		126,930	129,734
Minority interests		192	187
TOTAL EQUITY	24	127,122	129,921
LIABILITIES			
Provisions	25	1,345	1,279
Employee benefits	26	8,477	6,186
Financial liabilities, excluding derivative financial instruments	27	80,706	100,839
- of which vs Related Parties	39	25,000	25,000
Derivative financial instruments	22	219	228
Deferred tax liabilities	21	9,670	10,163
Trade and other payables		0	5
Deferred revenue and income	29	809	546
NON-CURRENT LIABILITIES		101,227	119,245
Provisions	25	157	265
Employee benefits	26	139	182
Financial liabilities, excluding derivative financial instruments	27	29,381	36,947
- of which vs Related Parties	39	248	156
Trade and other payables	28	38,606	33,185
- of which vs Related Parties	39	117	188
Deferred revenue and income	29	21,359	17,732
Current tax liabilities	21	2,673	1,481
- of which vs Related Parties	39	2,005	608
CURRENT LIABILITIES		92,315	89,792
TOTAL LIABILITIES		193,542	209,037
TOTAL EQUITY AND LIABILITIES		320,663	338,958

¹² The comparative data at 31 December 2016 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.

Consolidated Statement of profit or loss and other comprehensive income

€ '000s	Six-month period closed at 30 June		
	Notes	2017	2016 ¹³
Revenues	30	85,404	69,892
- of which vs related parties	39	167	476
Costs of raw materials	31	2,843	3,184
Costs of services	32	33,347	30,011
- of which vs Related Parties	39	736	307
- of which non-recurring	32	757	980
Personnel costs	33	29,801	22,737
- of which non-recurring	33	380	0
Other operating costs	34	1,028	782
- of which vs Related Parties	39	13	26
Amortisation and depreciation	35	5,163	4,099
Provisions	35	0	0
Impairment	35	818	552
Total costs		73,000	61,366
OPERATING PROFIT		12,404	8,526
Financial income	36	259	21
- of which non-recurring	36	107	0
Financial expenses	36	981	712
- of which vs Related Parties	39	248	87
Net financial expenses		-722	-691
Share of profit of equity-accounted investments, net of tax	15	2	-32
PROFIT BEFORE TAX		11,685	7,803
Income tax expense	37	3,705	2,700
- of which non-recurring	37	-294	-178
NET PROFIT FROM CONTINUING OPERATIONS		7,980	5,104
Profit (loss) from discontinued operations, net of tax		0	0
PROFIT FOR THE PERIOD		7,980	5,104
Other comprehensive income			
<i>Components that will never be reclassified to profit or loss</i>			
Total components that will never be reclassified to profit or loss		0	0
<i>Components that are or may be later reclassified to profit or loss:</i>			
Exchange rate differences from the translation of foreign financial statements		-5	0
Profits (losses) from measurement at fair value of derivative financial instruments	22	20	-128
Tax effect		-5	31
Total components that are or may be later reclassified to profit (loss)		10	-97
Total other components of comprehensive income, net of tax		10	-97
Total comprehensive income for the period		7,990	5,006
Profit for the period attributable to:			
Shareholders of the Parent Company		7,947	5,081
Minority interests		33	22
Total comprehensive income for the period attributable to:			
Shareholders of the Parent Company		7,957	4,984
Minority interests		33	22
Earnings per share			
Basic earnings per share (Euro)	38	0.17	0.16
Diluted earnings per share (Euro)	38	0.17	0.16

¹³ The results for the first six months ended at 30 June 2016 were re-stated in relation to the completion, on 31 December 2016, of the accounting of the business combinations of Co.Mark (on 24 March 2016), Datafin and Eco-Mind App Factory (acquired at the end of 2015). The effects are illustrated in the Notes.

Consolidated Statement of changes in equity

€ '000s	Share capital	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Other reserves	Total	Minority interest	Total 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>									
Profit for the period						7,947	7,947	33	7,980
Other components of the comprehensive income				15		-5	10		10
<i>Total comprehensive income for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>15</i>	<i>0</i>	<i>7,942</i>	<i>7,957</i>	<i>33</i>	<i>7,990</i>
<i>Transactions with shareholders</i>									
Dividends						-6,949	-6,949	-28	-6,977
Allocation to legal reserve		297				-297	0		0
Acquisitions of minority equity investments						-194	-194		-194
Adjustment of put option on minority interests						-3,607	-3,607		-3,607
Other changes						-11	-11		-11
<i>Total transactions with shareholders</i>	<i>0</i>	<i>297</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-11,058</i>	<i>-10,761</i>	<i>-28</i>	<i>-10,789</i>
Balance at 30 June 2017	46,256	1,433	53,156	-158	-343	26,585	126,930	192	127,122

€ '000s	Share capital	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Other reserves	Total	Minority interest	Total equity
Balance at 1 January 2016	31,700	773	19,173	-135	-164	25,751	77,098	96	77,194
<i>Comprehensive income for the period</i>									
Profit for the period						5,081	5,081	22	5,104
Other components of the comprehensive income				-97			-97		-97
<i>Total comprehensive income for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-97</i>	<i>0</i>	<i>5,081</i>	<i>4,984</i>	<i>22</i>	<i>5,006</i>
<i>Transactions with shareholders</i>									
Dividends						-3,820	-3,820	-29	-3,849
Allocation to legal reserve		363				-363	0		0
Adjustment of put option on minority interests						-2,636	-2,636		-2,636
Future share capital increase contribution						28,430	28,430		28,430
Other changes						1,176	1,176		1,176
<i>Total transactions with shareholders</i>	<i>0</i>	<i>363</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>22,787</i>	<i>23,150</i>	<i>-29</i>	<i>23,121</i>
Balance at 30 June 2016	31,700	1,136	19,173	-232	-164	53,619	105,232	89	105,322

Consolidated Statement of cash flows

	<i>six-month period closed at 30 June</i>		
	<i>Note</i>	2017	2016
<i>Cash flows from operations</i>			
Profit for the period		7,980	5,104
Adjustments for:			
- Depreciation of property, plant and equipment	35	1,310	1,092
- Amortisation of intangible assets	35	3,853	3,007
- Impairment (Revaluations)	35	818	552
- Provisions		0	0
- Net financial expenses	36	722	691
- <i>of which vs Related Parties</i>	39	248	87
- Portion of profits from equity-accounted investments	15	-2	32
- Income tax expense	37	3,705	2,700
Changes in:			
- Inventories	19	170	-126
- Trade and other receivables		-4,662	-2,930
- <i>of which vs Related Parties</i>		-151	99
- Trade and other payables		3,074	1,910
- <i>of which vs Related Parties</i>		-13	-25
- Provisions and employee benefits	25, 26	86	-1,221
- Deferred revenue and income, including public contributions	29	3,249	1,899
Cash and cash equivalents generated by operations		20,303	12,708
Taxes paid		-2,869	-483
Net cash and cash equivalents generated by operations		17,434	12,225
<i>Cash flows from investments</i>			
Interest collected		26	21
Collections from sale of financial assets	20	3,423	0
Investments in unconsolidated equity investments		0	0
Purchase of property, plant and equipment	13	-864	-1,929
Purchase of other financial assets	22	-85	0
Purchase of intangible assets	14	-1,213	-1,181
Change in the scope of consolidation, net of liquidity acquired	12	1,124	-9,583
Net cash and cash equivalents generated/(absorbed) by investments		2,411	-12,672
<i>Cash flows from financing</i>			
Purchase of minority interests in subsidiaries	27	-35,057	0
Interest paid		-1,016	-515
- <i>of which vs Related Parties</i>	39	-156	0
Increase in financial liabilities		7,619	20,583
- <i>of which vs Related Parties</i>		0	15,000
Decrease in financial liabilities		-7,528	-5,740
Payment of financial leases		-59	-47
Capital increase		0	28,430
Capital increases – subsidiaries		0	294
Dividends paid		-6,977	-3,820
Net cash and cash equivalents generated/(absorbed) by financing		-43,017	39,184
Net increase (decrease) in cash and cash equivalents		-23,172	38,737
Cash and cash equivalents at 1 January		60,431	19,316
Cash and cash equivalents at 30 June		37,259	58,053

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. ENTITY THAT DRAFTS THE FINANCIAL STATEMENTS

Tecnoinvestimenti S.p.A. (the “Parent Company”) is based in Rome (Italy), Piazza Sallustio 9. The Condensed Interim Consolidated Financial Statements at 30 June 2017 include the financial statements of the Parent Company and its subsidiaries (jointly, the “Group”). The Group is mainly active in the Digital Trust, Credit Information & Management and Sales & Marketing Solutions sectors.

The Parent Company’s shares are listed on the MTA (the Borsa Italiana’s Main Equities Market), STAR segment, managed by Borsa Italiana S.p.A.. At the date of preparation of these Condensed Interim Consolidated Financial Statements, Tecno Holding S.p.A. (the ‘Holding company’) is the shareholder with the absolute majority of Tecnoinvestimenti S.p.A. shares. The Holding company does not exercise management and coordination activities for Tecnoinvestimenti.

These Condensed Interim Consolidated Financial Statements at 30 June 2017 were approved and authorised for publication by the Board of Directors of Tecnoinvestimenti S.p.A. at its meeting on 7 August 2017.

2. PREPARATION CRITERIA AND COMPLIANCE WITH IFRS

These Condensed Interim Consolidated Financial Statements prepared in accordance with art. 154-ter of Legislative Decree no. 58/98 - CFA - and subsequent amendments and additions, have been prepared in accordance with the International Financial Reporting Standards (IFRS), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), approved by the European Commission and in force at the reporting date, as well as the previous International Accounting Standards (IAS). In particular, said Condensed Interim Consolidated financial statements prepared in accordance with IAS 34 “Interim Financial Statements” do not include all the information required by the annual financial statements and shall be read together with the Consolidated Financial Statements for the year ended 31 December 2016 (the “last financial statements”) filed at the head office of the Company and available on the website <http://tecnoinvestimenti.it/en/>.

While not including all the information required for complete disclosure of the Financial Statements, they include specific notes to explain the events and transactions that are relevant for an understanding of the changes in the Statement of financial position and the performance of the Group since the last Financial Statements. These Financial Statements are consistent with those that make up the annual Consolidated Financial Statements.

3. BASIS OF PRESENTATION

The Condensed Interim Consolidated Financial Statements consist of the Statement of financial position, Statement of profit or loss and other comprehensive income, Statement of changes in equity, Statement of cash flows and these Notes that follow.

It should be specified that:

- the Statement of financial position is prepared by classifying assets and liabilities into current and non-current;
- the Statement of profit or loss and other comprehensive income is classified on the basis of the nature of costs;
- the Statement of cash flows is presented using the indirect method.

Pursuant to Consob Resolution no. 15519 of 28 July 2006, income and expenses deriving from non-recurring transactions are indicated separately, if present, in the Statement of profit or loss and other comprehensive income; similarly, the balances of related party transactions are indicated separately in the Financial Statements, which are described in further detail in the Note to the Financial Statements “Related party transactions”.

The Condensed Interim Consolidated Financial Statements are presented in Euro, the functional currency of the Parent Company and its subsidiaries (except for Creditreform Assicom Ticino SA) and all values are expressed in Euro thousands unless otherwise indicated.

The accounting standards adopted for the preparation of these Condensed Interim Consolidated Financial Statements are the same as those adopted for the drafting of the Group’s annual Consolidated Financial Statements for the year ended 31 December 2016.

4. SCOPE OF CONSOLIDATION AND CONSOLIDATION CRITERIA

The consolidation criteria and methods used for the Condensed Interim Consolidated Financial Statements at 30 June 2017 are the same as those used to draft the Consolidated Financial Statements at 31 December 2016.

The Condensed Interim Consolidated Financial Statements include the financial statements of the Parent Company Tecnoinvestimenti S.p.A. and the companies over which the Company has the right to exercise, directly or indirectly, control as defined by IFRS 10 “Consolidated Financial Statements”.

For the purposes of assessing the existence of control, there are all three of the following elements:

- power over the company;
- exposure to the risk or rights arising from the variable returns linked to its involvement;
- ability to influence the company, so as to have an impact on the results (positive or negative) for the investor (correlation between power and own exposure to risks and benefits).

The control can be exercised both by virtue of the direct or indirect ownership of a majority of the shares with voting rights, and by virtue of contractual or legal agreements, also without reference to shareholding relations. In the assessment of these rights, account is taken of the ability to exercise these rights and regardless of their actual exercise and all potential voting rights are taken into consideration.

With respect to 31 December 2016, the scope of consolidation at 30 June 2017 acknowledges the line-by-line consolidation of the investment in Sixtema S.p.A. from 1 April 2017, as better specified in Note 12. *Business combinations*, previously consolidated using the equity method. The list of companies consolidated on a line-by-line basis or with the equity method at 30 June 2017 is shown in the following table:

Company	Registered office	at 30 June 2017					
		Share capital		% ownership	Through	% contribution to the Group	Consolidation method
		Amount (in thousands)	Currency				
Tecnoinvestimenti S.p.A. (Parent Company)	Rome	46,256	Euro	n.a.	n.a.	n.a.	n.a.
InfoCert S.p.A.	Rome	17,705	Euro	99.99%	-	99.99%	Line-by-line
Ribes S.p.A.	Milan	241	Euro	100.00%	-	100.00%	Line-by-line
Assicom S.p.A.	Buja (UD)	3,000	Euro	100.00%	-	100.00%	Line-by-line
Co.Mark S.p.A.	Milan	150	Euro	70.00%	-	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
Creditreform Assicom Ticino S.A.	Switzerland	100	CHF	100.00%	Assicom S.p.A.	100.00%	Line-by-line
Co.Mark TES S.L.	Spain	36	Euro	99.00%	Co.Mark 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.	100.00%	Line-by-line
eTuitus S.r.l.	Salerno	50	Euro	24.00%	InfoCert S.p.A.	24.00%	equity

The percentage of ownership indicated in the table refers to the actual shares held by the Group at the reporting date. The contribution percentage is based on the contribution to the Group's equity provided by the individual companies upon the recognition of the additional ownership interests in the consolidated companies resulting from accounting for the put options granted to minority shareholders for the interests they still held.

The accounting positions of subsidiaries are consolidated from the date on which control was acquired.

All accounting positions used for the preparation of the Condensed Interim Consolidated Financial Statements have been drafted at 30 June and adjusted, where necessary, to make them consistent with the accounting standards applied by the Parent Company.

The criteria adopted for the line-by-line consolidation are as follows:

- Assets and liabilities, expenses and income of the subsidiaries are consolidated on a line-by-line basis attributing to minority shareholders, where applicable, the portion of equity and net result for the period pertaining to them; these amounts are reported separately in Equity and the Income statement.
- Business combinations are recognised in accordance with the provisions of IFRS 3 Business Combinations according to the Acquisition method. The acquisition cost is represented by the present value ("fair value") at the date of acquisition of the assets sold and the liabilities assumed and capital instruments issued. The identifiable assets acquired, liabilities and contingent liabilities assumed are recognized at their fair value at the acquisition date, except for deferred tax assets and liabilities, assets and liabilities for employee benefits and assets held for sale that are recognized according to the relevant accounting standards of reference. The difference between the acquisition cost and the fair value of the assets and liabilities acquired, if positive, is recorded under intangible assets as goodwill, and if negative, after verifying the correct measurement of the fair values of assets and liabilities acquired and the acquisition cost, is recognised directly in the income statement as income.
- Acquisition-related ancillary charges are recognised in the Income statement on the date the services are rendered.
- In the case of the purchase of non-100% controlling interests, goodwill is recognised only for the portion attributable to the Parent Company. The value of minority interests is determined in proportion to the interest held by minorities in the identifiable net assets of the acquired entity.
- If the business combination was carried out in several stages, at the time of acquisition of control, the shareholdings held previously are remeasured at fair value and the eventual difference (positive or negative) is recognised in the income statement.
- In case of minority interests are purchased after obtaining control, the positive/negative difference between the acquisition cost and book value of the minority interests acquired is deducted/added from/to the equity of the Parent Company. In the event of the sale of shares which does not involve the loss of control of the entity, by contrast, the difference between the price collected and the book value

of the shares transferred is recorded directly as an increase in equity, without passing through the income statement.

- The values resulting from transactions between consolidated entities have been eliminated, in particular related to receivables and payables at the end of the period, the costs and revenues as well as other financial expenses and income recorded in the income statements of the same. The unrealised gains and losses between consolidated entities have also been eliminated, with the related tax adjustments.

ASSOCIATES

Associates are entities over which the Group has significant influence, which is presumed to exist when the shareholding is between 20% and 50% of voting rights. Investments in associated companies are measured using the equity method and initially recognised at cost. The equity method is as follows:

- the book value of these investments is in line with the adjusted equity, where necessary, to reflect the application of IFRS and includes the recognition of higher/lower values attributed to assets and liabilities and eventual goodwill identified at the time of acquisition;
- profits or losses relating to the Group are recognised from the date on which the significant influence commences until the date on which it ends. In the event that, as a result of losses, the company valued under this method indicates a negative equity, the book value of the investment is written down and the eventual excess pertaining to the Group, if the latter has undertaken to fulfil legal or implicit obligations of the investee company or in any case to cover its losses, is recognised in a specific provision; changes in the equity of companies valued using the equity method, not represented by the result of the income statement, are recognised directly in other components of the comprehensive income statement;
- unrealised gains and losses, generated by transactions conducted between the Company/subsidiaries and the investee company valued using the equity method, including the distribution of dividends, are eliminated to the extent of the value of the Group's shareholding in the investee, except for the losses if they are representative of the write-down of the underlying asset.

5. CONVERSION OF FINANCIAL STATEMENTS STATED IN A CURRENCY OTHER THAN THAT OF PRESENTATION

The rules for the conversion of financial statements in currencies other than that in which the accounts are presented (except for situations where the currency is that of a hyper-inflationary economy, a situation not applicable to the Group), are as follows:

- assets and liabilities included in the statements presented have been converted at the exchange rate on the closing date of the period;
- costs and revenues, expenses and income, included in the statements presented are translated at the average exchange rate for the period, or at the exchange rate on the transaction date if it differs significantly from the average exchange rate;
- the "conversion reserve" includes both the exchange rate differences generated from the conversion of economic amounts at an exchange rate different from the closing exchange rate and those generated from the conversion of opening equity at a different exchange rate than that of the closing of the reporting period. The translation reserve is reversed to the Income statement at the time of full or partial disposal of the investment when said disposal involves the loss of control.

Goodwill and adjustments arising from the valuation at fair value of assets and liabilities resulting from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate of the period.

6. SEGMENT REPORTING

Information regarding the business segments has been prepared in accordance with IFRS 8 “Operating Segments”, which provides information consistently with the manner adopted by management to make operating decisions. Therefore, the identification of operating segments and the information presented are defined on the basis of internal reports used by management in order to allocate resources to the various segments and to analyse the related performance.

An operating sector is defined by IFRS 8 as a component of an entity (i) that engages in business activities that generate revenues and costs (including revenues and costs regarding operations with other components of the same entity); (ii) the operating results of which are periodically reviewed by the entity’s top management in view of making decisions about resources to be allocated to the sector and assessing its performance; (iii) for which separate financial information is available.

The operating segments identified by management, which include all the services and products provided to customers are:

- *Credit Information & Management*
- *Digital Trust*
- *Sales & Marketing Solutions*

With respect to First Half 2016, the economic data of First Half 2017 underwent changes due to:

- the consolidation, from 1 April 2016, of the Co.Mark Group (fully allocated to the Sales & Marketing Solutions sector);
- the consolidation, from 1 July 2016, of the Visura Group (fully allocated to the Digital Trust sector);
- the full consolidation, from 1 April 2017, of the company Sixtema S.p.A. (fully allocated to the Digital Trust sector), previously consolidated using the equity method.

The results of the operating segments are measured and reviewed periodically by management by analysing the EBITDA trend, defined as profit for the period before depreciation and amortisation, accruals to provisions, impairment losses, expenses and financial income, gains or losses from investments and taxes.

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

The following is a representation of the Revenues and EBITDA of each operating sector.

€ '000s	Digital Trust		Credit Information & Management		Sales & Marketing Solutions		Other sectors (Holding Company Costs)		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<i>Six-month period closed at 30 June</i>										
Sector revenues	39,215	25,170	36,921	40,037	9,407	4,619	251	289	85,794	70,115
Intra-sectoral revenues	32	12	109	19	0	0	250	192	390	223
Revenues from third-party clients	39,184	25,158	36,813	40,018	9,407	4,619	1	98	85,404	69,892
EBITDA	10,039	5,893	7,462	8,077	3,677	1,928	-2,793	-2,721	18,386	13,177
Amortisation, depreciation, provisions and impairment losses									5,981	4,651
Operating result									12,404	8,526
Net financial expenses									-722	-691
Result from investments									2	-32
Profit before tax									11,685	7,803
Income tax expense									3,705	2,700
Result for the period									7,980	5,104

The following is a representation of the assets and liabilities of each operating sector.

€ '000s	Digital Trust		Credit Information & Management		Sales & Marketing Solutions		Other sectors (Holding Company Costs)		Total	
	30/06/17	31/12/16	30/06/17	31/12/16	30/06/17	31/12/16	30/06/17	31/12/16	30/06/17	31/12/16
€ '000s										
Sector assets	88,044	78,783	154,546	163,688	57,054	62,905	21,018	33,582	320,663	338,958
Sector liabilities	65,809	45,631	64,372	101,591	36,020	34,476	27,341	27,339	193,542	209,037

7. NEW STANDARDS OR AMENDMENTS FOR 2017 AND FUTURE REQUIREMENTS

ACCOUNTING STANDARDS AND AMENDMENTS TO THE STANDARDS ADOPTED BY THE GROUP

No new accounting standards became effective or were introduced in First Half 2017 with respect to those applied at 31 December 2016.

- a) Accounting standards and interpretations of standards effective for financial years subsequent to 2017 and not adopted early by the Group:
 - 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. The new provisions of the standard: (i) modify the model of classification and measurement of financial assets; (ii) introduce the concept of expected credit losses to the variables to be considered in valuing and writing down financial assets (iii) modify dispositions for hedge accounting. 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 that concerned the valuation and classification of financial assets; subsequently, in 2010, the rules on financial liabilities and derecognition were published. 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. Early application is permitted. The Group does not expect the adoption of this standard to have any significant effects.
 - On 28 May 2014, the IASB published IFRS 15 - “Revenue from Contracts with Customers”. The standard represents a unique and comprehensive framework for the recognition of revenues and sets out provisions to be applied to all contracts with customers (except for contracts 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; furthermore, entities are required to provide specific information in the notes on the nature, amount, timing and uncertainties related to revenues and cash flows arising from contracts entered into with customers. 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. Early application is permitted. The Group is managing a project to identify areas of adjustment, both in terms of accounting and process impacts. An estimate of the effects cannot be provided until the Group has completed a detailed analysis of contracts with customers.

b) Accounting standards and interpretations applicable in the near future:

At the date of approval of these Condensed Interim Consolidated Financial Statements, the IASB issued certain accounting standards, interpretations and amendments, not yet approved by the European Union and some still in the consultation phase, including:

- On 30 January 2014, the IASB published IFRS 14 — “Regulatory Deferral Accounts”. The standard provides first-time adopters that operate in a sector with regulated tariffs, the possibility to continue to account in the first and subsequent IFRS financial statements, with some limited changes, “regulatory assets and liabilities” using the previous local accounting standards; furthermore, it is required that assets and liabilities from regulatory activities, as well as changes thereof, be presented separately in the statement of financial position, income statement and statement of comprehensive income and that specific information be provided in the notes. It is noted that to date, the European Commission has decided to suspend the Endorsement Process pending the issuance of the final accounting standard by the IASB.
- On 13 January 2016, the IASB published the new standard IFRS 16 Leases, which replaces IAS 17. IFRS 16 is applicable from 1 January 2019. In fact, the new standard eliminates the difference in the accounting of operating and financial leases despite the presence of elements that allow simplification of its application and introduces the concept of control to the definition of leasing. In particular, to determine whether or not a contract represents a lease, IFRS 16 requires entities to verify whether or not the lessee has the right to control the use of a certain asset for a given period of time. Early application is permitted for entities that also apply IFRS 15 Revenue from Contracts with Customers. Approval by the EU is expected in the fourth quarter of 2017.
- On 12 April 2016, the IASB published the document - “Clarifications to IFRS 15 Revenue from Contracts with Customers”. This amendment does not modify the provisions contained in the standard but clarifies how said provision must be applied. In particular, it clarifies (i) how to identify a performance obligation in a contract, (ii) how to determine whether an entity is a principal or an agent, and (iii) how to determine the moment when revenues from the granting of licenses shall be recognised. The entry into force of this amendment, whose approval by the EU is expected in the fourth quarter of 2017, is also set for 1 January 2018.
- On 11 September 2014, the IASB published the document “Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)”, in order to resolve a conflict between IAS 28 and IFRS 10. According to IAS 28, the gain or loss resulting from the sale or transfer of a non-monetary asset to a joint venture or associate in exchange for a share in the capital of the latter, is limited to the shareholding by other investors extraneous to the transaction. In contrast, IFRS 10 requires the recording of the entire gain or loss in the event of loss of control, even if the entity continues to hold a non-controlling stake in the company, including in this case also the sale or transfer of a subsidiary to a joint venture or associate. The amendments introduced require that for a sale/transfer of an asset or subsidiary to a joint venture or associate, the measure of the gain or loss to be recognized in the financial statements of the seller/transferor depends on whether the assets or subsidiary sold/transferred constitute a business, as defined by IFRS 3. If the assets or the subsidiary sold/transferred represent a business, the entity shall recognise the gain or loss on the entire investment held; otherwise, the portion of the gain or loss related to the share still held by the entity shall be eliminated. In December 2015, the IASB published the Amendment that indefinitely defers the entry into force of the amendments to IFRS 10 and IAS 28, pending the completion of the IASB project on equity method accounting.
- On 11 September 2014, the IASB published the document “Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)”, in order to

resolve a conflict between IAS 28 and IFRS 10. According to IAS 28, the gain or loss resulting from the sale or transfer of a non-monetary asset to a joint venture or associate in exchange for a share in the capital of the latter, is limited to the shareholding by other investors extraneous to the transaction. In contrast, IFRS 10 requires the recording of the entire gain or loss in the event of loss of control, even if the entity continues to hold a non-controlling stake in the company, including in this case also the sale or transfer of a subsidiary to a joint venture or associate. The amendments introduced set out that for a sale/transfer of an asset or subsidiary to a joint venture or associate, the measurement of the gain or loss to be recognised in the financial statements of the seller/transferor depends on whether the assets or subsidiary sold/transferred constitute a business, as defined by IFRS 3. If the assets or the subsidiary sold/transferred represent a business, the entity shall recognise the gain or loss on the entire investment held; otherwise, the portion of the gain or loss related to the share still held by the entity shall be eliminated. In December 2015, the IASB published the Amendment that indefinitely defers the entry into force of the amendments to IFRS 10 and IAS 28, pending the completion of the IASB project on equity method accounting.

- On 19 January 2016, the IASB published some amendments to IAS 12 Income Tax. The document “Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)” aims to clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments are applicable from 1 January 2017. Early application is permitted. Approval by the EU is expected in the fourth quarter of 2017.
- On 29 January 2016, the IASB published some amendments to IAS 7 Statement of cash flows. The document Disclosure Initiative (Amendments to 7) aims to improve the presentation and disclosure of financial information in financial reports and to resolve some of the issues reported by operators. The amendments, which are applicable from 1 January 2017, introduce new disclosure obligations for changes in liabilities and assets deriving from financing activities. Approval by the EU is expected in the second quarter of 2017.
- On 29 January 2016, the IASB published some amendments to IAS 7 Statement of cash flows. The document Disclosure Initiative (Amendments to 7) aims to improve the presentation and disclosure of financial information in financial reports and to resolve some of the issues reported by operators. The amendments, which are applicable from 1 January 2017, introduce new disclosure obligations for changes in liabilities and assets deriving from financing activities. Approval by the EU is expected in the second quarter of 2017.
- On 20 June 2016, the IASB published some amendments to IFRS 2 Share-based Payments. The document “Classifications and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)” resolves some issues relating to the accounting of share-based payments. In particular, this amendment makes significant improvements to (i) the valuation of share-based payments settled in cash, (ii) the classification thereof and (iii) the method of accounting in case of modification from share-based payments settled in cash to share-based payments settled with capital instruments. The amendments are applicable from 1st January 2018. Approval by the EU is expected in the fourth quarter of 2017.
- On 12 September 2016, the IASB published some amendments to IFRS 4 “Insurance Contracts”. The document “Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts” aims to address the inconsistencies deriving from deferment of the dates of entry into force of IFRS 9 and of the new accounting standard on insurance contracts. The amendments are applicable from 1 January 2018. Approval by the EU is expected in the fourth quarter of 2017.
- On 8 December 2016, the IASB published some amendments to IAS 40 – “Investment Property”. The document “Amendments to IAS 40: Transfers of Investment Property” aims to clarify some aspects relating to the treatment of transfers from, and to investment property. In particular, the amendment clarifies that a transfer takes place when and only when an actual change of use of the asset is verified. A change in management’s intention is not in itself enough to support a transfer. The amendments apply to financial statements relating to years starting on or after 1 January 2018; early application is permitted. Approval by the EU is expected in the fourth quarter of 2017.

- On 8 December 2016, the IASB published the document “Annual Improvements to IFRS Standards 2014-2016 Cycle”. The amendments introduced, falling under the ordinary activities of rationalisation and clarification of the international accounting standards, concern the following standards: IFRS 1 – “First-time adoption of IFRS”, IFRS 12 – “Disclosure of interests in other entities” and IAS 28 – “Investments in associates and joint venture”. Approval by the EU is expected in the second half of 2017. The amendments relating to IFRS 1 and IAS 28 apply to financial statements for years starting on or after 1 January 2018; early application is only permitted with reference to IAS 28. The amendments relating to IFRS 12 apply to financial statements for years starting on or after 1 January 2017.
- On 8 December 2016, the IASB published interpretation IFRIC 22 – “Foreign Currency Transaction and Advance Consideration”, in order to clarify the correct accounting of a transaction in foreign currency, in the event of payments made or received in advance with respect to the object of the transaction to which the payments refer. The interpretation clarifies that the transaction date to be used for the conversion is the date on which the entity makes or receives the advance payment. IFRIC 22 applies to financial statements for years starting on or after 1 January 2018; early application is permitted. Approval by the EU is expected in the fourth quarter of 2017.
- On 18 May 2017, the IASB published the new standard IFRS 17 – “Insurance Contracts”, which replaces the current IAS 4. The new standard on insurance contracts aims to enhance the transparency of sources of profit and quality of earnings realised and to guarantee greater comparability of results, introducing a single standard for the recognition of revenues which reflects the services provided. IFRS 17 applies to financial statements for years starting on or after 1 January 2021. The EFRAG Endorsement Process is still in progress.
- On 7 June 2017, the IASB published interpretation IFRIC 23 – “Uncertainty over Income Tax Treatments”, which provides guidelines on how to reflect uncertainties over the tax treatment of a given transaction or circumstance in the accounting of income taxes. IFRS 23 applies to financial statements for years starting on or after 1 January 2019. The EFRAG Endorsement Process is expected to be completed in the fourth quarter of 2017, while approval by the EU is expected in 2018.

In addition to the above regarding IFRS 9 and IFRS 15, the potential impact that the accounting standards, amendments and interpretations to be applied in the near future may have on the financial reporting of the Group are being examined and assessed.

8. USE OF ESTIMATES

In drafting these Condensed Interim Consolidated Financial Statements, in application of the reference accounting standards, the Directors had to formulate assessments, estimates and assumptions which influence the amounts of the assets, liabilities, and costs and revenues recognised in the financial statements, as well as the disclosure provided. Therefore, the final results of the items of the financial statements for which said estimates were used may differ from those recognised in these financial statements due to the uncertainty that characterises the assumptions on which the estimates are based.

The accounting standards and items of the financial statements which require the Directors to be more subjective in preparing the estimates are as follows:

- *Intangible assets with an indefinite life*: goodwill and intangible assets with an indefinite life are, at the time of the preparation of the annual financial statements¹⁴, annually subject to verification in order to assess whether there is any impairment to be recognised in the income statement. In particular, the verification in question involves the calculation of the recoverable value of Cash

¹⁴ In the event an indicator of impairment is identified, these assets are subject to an impairment test, even if before the drafting of the annual financial statements.

Generating Units (“CGUs”) to which goodwill is allocated through an estimate of the associated value in use or fair value less disposal costs; if the recoverable value is lower than the book value of the CGUs, the goodwill allocated to them must be written down. The determination of the recoverable value of the CGUs involves the assumption of estimates that depend on factors that may change over time, with potentially significant effects with respect to the assessments carried out by the Directors.

- *Write-down of fixed assets*: tangible and intangible assets with a definite life are subject to testing to check for impairment, which is recognised through a write-down, when there are indicators that suggest it will be difficult to recover the associated net book value through use. Verification of existence of the aforementioned indicators requires the Directors to make subjective judgments based on the information available in the company and the market, as well as on past experience. In addition, any potential impairment is determined using the appropriate evaluation techniques. The correct identification of indicators of potential impairment, as well as the estimates for determining these depend on factors that may change over time, influencing the evaluations and estimates of the Directors.
- *Fair value measurement*: in measuring the fair value of an asset or liability, the Group, as far as possible, makes use of observable market data. The fair values are separated into various hierarchical levels based on the input data used in the valuation techniques, as described below (Note 11).
- *Defined benefit plans*: the actuarial valuations required to determine the Plans for employee benefits in accordance with the provisions contained in IAS 19 are elaborated at the time of preparation of the annual financial statements.
- *Income taxes* are calculated based on the best estimate of the expected average rate at the consolidated level for the entire year.

9. FINANCIAL RISK MANAGEMENT

The Group is exposed to financial risks associated with its operations, specifically related to the following types:

- interest rate risk related to the Group’s financial exposure;
- exchange rate risks, related to operations in currencies other than the functional currency;
- liquidity risks, related to the availability of financial resources and access to the credit market;
- credit risks, resulting from normal commercial transactions or financing activities.

The Tecnoinvestimenti Group closely and specifically monitors each of these financial risks, intervening with the objective of promptly minimising them, also through the use of derivative hedging instruments.

Exchange rate risk

The exposure to the risk of changes in exchange rates derives from conducting business in currencies other than the Euro. The Group conducts its business principally in Italy, and nonetheless, the bulk of the turnover or purchase of services from foreign countries is realised with EU countries; therefore, it is not greatly exposed to the risk of fluctuations in foreign currency exchange rates against the Euro.

Interest rate risk

The Group uses external financial resources in the form of debt and liquidity available in bank deposits. Changes in levels of market interest rates influence the cost and return of the various forms of financing and use, thus influencing the level of the Group’s financial expenses and income.

The Group is exposed to fluctuations in interest rates with regard to the measurement of financial expenses related to debt and regularly assesses its exposure to the risk of changes in interest rates and also manages it through the use of derivative financial instruments on interest rates, and in particular interest rate swaps (IRS) with the exclusive aim of hedging. Details of interest rate swaps and other derivative hedging instruments outstanding at 30 June 2017 is provided in Note 22. *Derivative financial instruments*.

Cash and cash equivalents mainly consist of floating rate bank deposits, and therefore their fair value is close to the value recorded in the financial statements.

The interest rate to which the Group is most exposed is Euribor. Therefore, the interest rate risk appears to be adequately monitored, given the current slope of the Euribor rate curve.

Credit risk

Financial credit risk is represented by the inability of the counterparty to meet its obligations. At 30 June 2017, the Group's liquidity is invested in bank deposits with leading banks.

Commercial credit risk derives primarily from receivables from customers. To mitigate the credit risk related to commercial counterparties, the Group has put in place internal procedures that provide a preliminary check of the creditworthiness of a customer through a rating analysis before accepting the contract. There is also a procedure for the recovery and management of trade receivables, which involves sending written reminders in case of delay of payments and more targeted gradual interventions (sending reminder letters, telephone reminders, legal action). Finally, trade receivables in the financial statements are analysed individually; for positions for which there is objective evidence of partial or total non-collectability, a write-down must be performed. The amount of write-downs takes into account an estimate of the recoverable flows and the relative date of collection. Collective provisions are set aside for receivables not subject to individual write-downs based on historical experience and statistical data.

The table below provides details of current trade receivables from customers at 30 June 2017, grouped together by past due brackets and net of the associated bad debt provision.

€ '000s	30/06/2017	falling due	past due by 90 days	past due by between 91 and 180 days	past due by between 181 days and one year	past due by more than one year
Current trade receivables from customers	56,170	35,739	10,287	3,387	3,404	3,353
Bad debt provision	3,330	137	170	118	656	2,249
% Bad debt provision	5.9%	0.4%	1.6%	3.5%	19.3%	67.1%
Net value	52,840	35,602	10,118	3,268	2,748	1,104

Liquidity risk

Liquidity risk arises with the inability to obtain, under economic conditions, the financial resources necessary for the Group's operations. The two main factors affecting the Group's liquidity are:

- (i) the financial resources generated or absorbed by operating and investment activities;
- (ii) the financial debt repayment structure.

The Group's liquidity requirements are monitored by the treasury department in order to ensure effective access to financial resources and appropriate investment/liquidity performance.

Management believes that the funds and credit lines currently available, in addition to those that will be generated by operating and financing activities, will enable the Group to satisfy its requirements deriving

from investment activities, working capital management and the repayment of debts at their contractual maturity.

Financial liabilities are summarised below, with the exception of derivative instruments, booked to the financial statements at 30 June 2017, broken down on the basis of the contractually envisaged maturity:

€ '000s	within one year	between 1 and 2 years	between 2 and 3 years	between 3 and 4 years	between 4 and 5 years	after 5 years	Book value at 30/06/2017
Payables to banks	10,127	5,051	4,875	4,918	4,961	5,004	34,936
Liabilities for purchase of minority shares	14,382	25,839					40,221
Liabilities for deferred consideration	1,430	1,400	1,400	1,400			5,630
Payables to the controlling shareholder	248	25,000					25,248
Payables for the purchase of leased assets	126	141	132	116	34	430	979
Payables to other lenders	3,070	4					3,073
Total financial liabilities	29,381	57,434	6,408	6,434	4,995	5,434	110,087

For details of the financial liabilities listed above please refer to Note 27. *Financial liabilities*.

10. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

Reported below is a reconciliation between the categories of financial assets and liabilities, as indicated in the Company's Statement of financial position and the types of financial assets and liabilities identified on the basis of the requirements of IFRS 7:

€ '000s	Held for trading	Designated at fair value	Fair value hedging instruments	Held to maturity	Loans and receivables	Available for sale	Financial liabilities at amortised cost	Total
NON-CURRENT ASSETS	0	0	50	0	1,274	0	0	1,324
Other financial assets, excluding derivative financial instruments	0	0	0	0	587	0	0	587
Derivative financial instruments	0	0	50	0	0	0	0	50
Trade and other receivables	0	0	0	0	687	0	0	687
CURRENT ASSETS	0	1,699	0	1,000	98,585	2,293	0	103,577
Other financial assets, excluding derivative financial instruments	0	1,699	0	1,000	352	2,293	0	5,344
Trade and other receivables	0	0	0	0	60,974	0	0	60,974
Cash and cash equivalents	0	0	0	0	37,259	0	0	37,259
NON-CURRENT LIABILITIES	0	25,839	219	0	0	0	54,866	80,925
Financial liabilities, excluding derivative financial instruments	0	25,839	0	0	0	0	54,866	80,706
Derivative financial instruments	0	0	219	0	0	0	0	219
CURRENT LIABILITIES	0	14,382	0	0	0	0	53,606	67,987
Financial liabilities, excluding derivative financial instruments	0	14,382	0	0	0	0	15,000	29,381
Trade and other payables	0	0	0	0	0	0	38,606	38,606

11. FAIR VALUE HIERARCHY

The fair value hierarchy for the Company's assets and liabilities is shown below:

€ '000s	Fair value			
	Level 1	Level 2	Level 3	Total
NON-CURRENT ASSETS	0	50	0	50
Derivative financial instruments		50		
CURRENT ASSETS	1,699	0	2,293	3,992
<i>Other financial assets, excluding derivative financial instruments</i>	1,699	0	2,293	3,992
Investment contracts			2,293	
Financial assets at fair value booked to the income statement	1,699			
NON-CURRENT LIABILITIES	0	219	25,839	26,058
<i>Other financial liabilities, excluding derivative financial instruments</i>	0	0	25,839	25,839
Liabilities for PUT options			22,092	
Contingent considerations			3,747	
<i>Derivative financial instruments</i>	0	219	0	219
<i>Interest rate swaps</i>		219		
CURRENT LIABILITIES	0	0	14,382	14,382
<i>Other financial liabilities, excluding derivative financial instruments</i>	0	0	14,382	14,382
Liabilities for PUT options			14,155	
Contingent considerations			227	

12. BUSINESS COMBINATIONS

BUSINESS COMBINATIONS FOR WHICH THE ACCOUNTING RECOGNITION IN THE HALF WAS COMPLETED

Acquisition of Visura S.p.A.

On 20 July 2016, the closing was signed for the acquisition of 60% of Visura S.p.A.. The transaction allows the Tecnoinvestimenti Group to strengthen its position in its core markets and expand the offer of Digital Trust solutions, with particular reference to the professional sector. The Visura Group is mainly active in the sale of Telematic Trust Solutions and distribution of business information through proprietary web platforms dedicated to professional customers and partly to small/medium-sized businesses. The consideration for the acquisition of 60% was set at € 21.9 million, paid in cash. The acquisition was financed through the Company's equity, also supported by the future capital increase payment granted by the shareholder Tecno Holding S.p.A. on 27 June 2016 of approximately € 28.4 million, equal to the entire share attributable in the planned capital increase. With reference to the acquisition consideration, at the time of purchase, provision was made for an earn-out of 30% of the 2016 profit of Visura S.p.A.. The earn-out, equal to € 909 thousand, was actually paid on 26 April 2017. Lastly, for the remaining 40% held by the founding shareholders, Put & Call option rights are provided exercisable in a lump sum after approval of the 2018 financial statements, at a price calculated on the basis of a multiple of 6 on the 2018 consolidated EBITDA of Visura, taking into account the net financial position.

The fair value of assets acquired and contingent liabilities assumed was determined within the terms of IFRS 3 and the excess of the acquisition price over the fair value of net assets acquired was recognised as goodwill.

The following table summarises the fair value at the acquisition date of the main components of the amount transferred:

€ '000s

Cash and cash equivalents (60%)	21,900
Contingent consideration (60%)	853
Fair value of Put options (40%)	10,423
Total consideration transferred	33,175

The following is a summary of the amounts recognised with reference to the assets acquired and liabilities undertaken at the acquisition date:

€ '000s	Book values	Fair value adjustments	Book values - REV.
Property, plant and equipment	684		684
Intangible assets	1,066	7,212	8,278
Other non-current financial assets	3,624		3,624
Deferred tax assets	58		58
Inventories	212		212
Other current financial assets	1,939		1,939
Current tax assets	21		21
Trade and other receivables	1,533		1,533
Cash and cash equivalents	7,189		7,189
Total assets acquired	16,327	7,212	23,539
Employee benefits	320		320
Deferred tax liabilities	14	2,078	2,093
Other current financial liabilities	2,383		2,383
Trade and other payables	4,551		4,551
Deferred revenue and income	5,460		5,460
Current tax liabilities	667		667
Total liabilities assumed	13,395	2,078	15,474
Net assets acquired	2,931	5,134	8,065

The recognition of the assets and liabilities acquired by the Visura Group at fair value involved the accounting of an intangible asset for the customer list of € 7,212 thousand before taxes. According to the customer turnover rate, it is believed that such asset may fully expend its future useful life in a period of 5 years starting from 2016.

Goodwill arising from the acquisition has been recognised as shown in the following table:

€ '000s

Total consideration transferred	33,175
Net assets acquired	8,065
Net assets acquired of minorities	-81
Goodwill	25,191

As established by IFRS 3, the values reported above, determined definitively, were reflected retrospectively at 1 July 2016, with the subsequent amendment and integration of the equity values included in the Consolidated Financial Statements for the year ended at 31 December 2016.

In Second Half 2016, the Visura Group generated revenues of € 7,708 thousand and a profit of € 511 thousand. Management believes that if the acquisition had taken place on 1 January 2016, Consolidated revenues of the Tecnoinvestimenti Group would have been € 9,089 thousand higher and Consolidated profit

for the period € 1,186 thousand higher. In calculating the above amounts, Company Management assumed that the fair value adjustments at the acquisition date would have been the same even if the acquisition had occurred on 1 January 2016; in addition, no adjustments were made to the results to eliminate the intercompany transactions of the first six months of 2016.

BUSINESS COMBINATIONS FOR WHICH THE ACCOUNTING RECOGNITION WAS NOT COMPLETED

Acquisition of Sixtema S.p.A.

On 13 April 2017, InfoCert S.p.A. signed a purchase contract, obtaining 80% of Sixtema S.p.A.'s capital (with respect to the previous stake of 35%), thereby acquiring control of it. Sixtema is an ICT company specialising in the production of software for the SME sector. The transaction allowed the acquisition of 45% of Sixtema's share capital, based on a fixed component, amounting to € 2,150 thousand paid at the closing date (20 April 2017), and a variable component, which will be between a minimum of € 250 thousand and a maximum amount of € 1,750 thousand, to be paid after the approval of Sixtema's 2018 financial statements, based on the change in turnover in the 2016-2018 period realised with respect to a specific customer group compared to the same turnover realised in 2015. Put&Call options were stipulated for the remaining 20% held by the minority shareholders, at a price calculated on the same basis as the earn-out, which can be exercised in a single transaction following the approval of Sixtema's 2018 financial statements.

Sixtema, formed in February 2008, now employs more than 130 staff and has 4 operating sites in Italy, and provides integrated ICT services to entrepreneurial associations of SMEs, to their services companies, and various authorities, including the CNA - Federation of Italian Artisans and Craftsmen - and, through these, to the benefit of crafts companies, commercial enterprises and small and medium companies in general. Specifically, Sixtema offers its 5,000 customers integrated services incorporating software, connectivity, cloud computing and application software/system/network/desktop management as well as all InfoCert products, helping companies to interpret and fulfil all obligations pertaining to tax, labour legislation and various regulations in general, also through the Interpreta[®] division, recognised by the world of associations, financial intermediaries and professional practices.

The company was consolidated using the line-by-line method from 1 April 2017.

At 31 March 2017, the valuation of the 35% interest in Sixtema S.p.A. using the equity method amounted to € 2,462 thousand. The fair value at the date of acquisition of the 35% interest held at 31 March 2017, amounted to € 2,569 thousand. The profit, booked to financial income, as a result of the fair value measurement of the interest, therefore amounted to € 107 thousand.

It should be noted that, from the date of the first-time consolidation (1 April 2017), Sixtema S.p.A. generated revenues of € 3,456 thousand and a profit of € 39 thousand, consolidated in the Tecnoinvestimenti Group accounts. Management believes that if the company had been consolidated on a line-by-line basis from 1 January 2017, consolidated revenues of the Tecnoinvestimenti Group would have been € 3,570 thousand higher and consolidated profit for the period € 12 thousand higher. In calculating the above amounts, no adjustments were made to the results to eliminate the intercompany transactions of the first three months of 2017.

The following table summarises the fair value at the acquisition date of the main components of the consideration transferred:

€ '000s

Cash and cash equivalents (45%)	2,150
Contingent consideration (45%)	1,153
Fair value of interest (35%)	2,569
Fair value of Put&Call options (20%)	1,316
Total consideration transferred	7,188

Goodwill arising from the acquisition has been recognised provisionally as shown in the following table:

€ '000s

Total consideration transferred	7,188
Net assets acquired	6,649
Goodwill	539

The net cash flow deriving from the consolidation of Sixtema S.p.A. is reported below:

€ '000s

Consideration paid	- 2,150
Cash and cash equivalents acquired	3,274
Net cash flow deriving from consolidation	1,124

As permitted by IFRS 3, the definitive recognition of the fair value of the assets and liabilities of the company acquired will be completed by the end of the measurement period.

INFORMATION ON THE FINANCIAL POSITION

The items of the Consolidated Statement of financial position at 30 June 2017 are commented hereunder. The balances at 31 December 2016 were re-stated (as indicated in Note 12. *Business Combinations*) in relation to the completion, in First Half 2017, of the 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.

The effects of the re-statement on the equity balances at 31 December 2016 are reported below:

€ '000s	31/12/2016	Completion of Business combination Visura	31/12/2016 Re-stated
ASSETS			
Property, plant and equipment	7,050		7,050
Intangible assets and goodwill	199,225	1,465	200,690
Equity-accounted investments	2,471		2,471
Equity investments recognised at cost or fair value	11		11
Other financial assets, excluding derivative financial instruments	2,898		2,898
Deferred tax assets	2,898		2,898
Trade and other receivables	351		351
NON-CURRENT ASSETS	214,904	1,465	216,368
Inventories	1,001		1,001
Other financial assets, excluding derivative financial instruments	6,352		6,352
Current tax assets	3,659		3,659
Trade and other receivables	50,948		50,948
Cash and cash equivalents	60,431		60,431
Assets held for sale	199		199
CURRENT ASSETS	122,590	0	122,590
TOTAL ASSETS	337,493	1,465	338,958
EQUITY AND LIABILITIES			
Share capital	46,256		46,256
Reserves	83,985	-507	83,478
<i>Equity attributable to Shareholders of the Parent Company</i>	<i>130,241</i>	<i>-507</i>	<i>129,734</i>
<i>Minority interests</i>	<i>131</i>	<i>56</i>	<i>187</i>
TOTAL EQUITY	130,372	-451	129,921
LIABILITIES			
Provisions	1,279		1,279
Employee benefits	6,186		6,186
Financial liabilities, excluding derivative financial instruments	100,839		100,839
Derivative financial instruments	228		228
Deferred tax liabilities	8,292	1,871	10,163
Trade and other payables	5		5
Deferred revenue and income	546		546
NON-CURRENT LIABILITIES	117,374	1,871	119,245
Provisions	265		265
Employee benefits	182		182
Financial liabilities, excluding derivative financial instruments	36,902	45	36,947
Derivative financial instruments	0		0
Trade and other payables	33,185		33,185
Deferred revenue and income	17,732		17,732
Current tax liabilities	1,481		1,481
CURRENT LIABILITIES	89,747	45	89,792
TOTAL LIABILITIES	207,122	1,915	209,037
TOTAL EQUITY AND LIABILITIES	337,493	1,465	338,958

It should be noted that the tables of changes in equity items show the effect on the consolidated data of the changes in the scope of consolidation (of the values estimated provisionally for the assets and liabilities acquired as part of the acquisition of Sixtema S.p.A.), as illustrated in Note 12. *Business combinations*.

13. PROPERTY, PLANT AND EQUIPMENT

The changes in investments in property, plant and equipment are reported below:

€ '000s	31/12/2016	Investments	Disinvestments	Depreciation	Reclassifications	Change in scope	Revaluations	Write-downs	30/06/2017
<i>Land</i>									
Cost	161								161
Net value	161	0	0	0	0	0	0	0	161
<i>Land under finance lease</i>									
Cost	157					147			303
Net value	157	0	0	0	0	147	0	0	303
<i>Buildings</i>									
Cost	1,023				-165	671			1,530
Accumulated depreciation	-212			-11	35	-227	1		-414
Net value	812	0	0	-11	-130	444	1	0	1,116
<i>Leased buildings</i>									
Cost	2,312					715			3,027
Accumulated depreciation	-967			-40		-120			-1,127
Net value	1,345	0	0	-40	0	594	0	0	1,900
<i>Plants and machinery</i>									
Cost	679	21				4,076			4,776
Accumulated depreciation	-568			-132		-2,948			-3,649
Net value	111	21	0	-132	0	1,128	0	0	1,128
<i>Industrial and commercial equipment</i>									
Cost	168	39				39			246
Accumulated depreciation	-108			-13		-35			-156
Net value	60	39	0	-13	0	4	0	0	90
<i>Leasehold improvements</i>									
Cost	1,486	66			124				1,676
Accumulated depreciation	-939			-90					-1,029
Net value	548	66	0	-90	124	0	0	0	648
<i>Assets in progress and advances</i>									
Cost	0	24							24
Net value	0	24	0	0	0	0	0	0	24
<i>Other assets</i>									
Cost	15,223	714	-558		61	607			16,045
Accumulated depreciation	-11,366		528	-1,024		-589			-12,451
Net value	3,857	714	-30	-1,024	61	17	0	0	3,594
<i>Other leased assets</i>									
Cost	65								65
Accumulated depreciation	-65								-65
Net value	0	0	0	0	0	0	0	0	0
Property, plant and equipment	7,050	864	-30	-1,310	55	2,334	1	0	8,963

During the year, a property owned by Ribes S.p.A. inherited as a result of the merger by incorporation of Infonet S.r.l., was reclassified to assets held for sale, following the receipt of a purchase proposal; the book value was maintained equal to the net book value as it is considered less than the fair value reduced by the expected costs of disposal.

The increases in the period in Other assets are attributable, for € 585 thousand, to the Digital Trust sector and, more specifically, for € 495 thousand relate to InfoCert S.p.A..

14. INTANGIBLE ASSETS AND GOODWILL

The item in question comprises intangible assets with indefinite (goodwill) or definite (intangible assets) useful lives; the breakdown and changes are as follows:

€ '000s	Initial balance	Investments	Disinvestments	Amortisation	Reclassifications	Revaluations	Write-downs	Change in scope	Allocations	Delta Exchange rates	Final balance
<i>Goodwill</i>											
Original cost	160,198							155	385		160,737
Net value	160,198	0	0	0	0	0	0	155	385	0	160,737
<i>Other intangible assets with indefinite useful life</i>											
Original cost	279	52									331
Bad debt provision	0										0
Net value	279	52	0	0	0	0	0	0	0	0	331
<i>Development costs</i>											
Development costs	0							3,741			3,741
Accumulated amortisation	0			-107				-2,694			-2,801
Net value	0	0	0	-107	0	0	0	1,046	0	0	940
<i>Industrial patents and intellectual property rights</i>											
Original cost	32,270	872			209			4,752			38,102
Accumulated amortisation	-26,771			-1,393				-4,695			-32,859
Net value	5,499	872	0	-1,393	209	0	0	57	0	0	5,243
<i>Concessions, licences, trademarks and similar rights</i>											
Original cost	192	2						13			207
Accumulated amortisation	-165			-2				-12			-179
Net value	27	2	0	-2	0	0	0	1	0	0	28
<i>Other intangible assets from consolidation</i>											
Original cost	41,565										41,565
Accumulated amortisation	-8,159			-2,227							-10,386
Net value	33,406	0	0	-2,227	0	0	0	0	0	0	31,179
<i>Assets in progress and advances</i>											
Original cost	870	287			-393						764
Net value	870	287	0	0	-393	0	0	0	0	0	764
<i>Other</i>											
Original cost	4,308							7		0	4,315
Bad debt provision	-3,896			-126				-7			-4,030
Net value	412	0	0	-126	0	0	0	0	0	0	286
Goodwill, trademarks and other assets with indefinite useful life	200,690	1,213	0	-3,853	-185	0	0	1,259	385	0	199,507

Goodwill

At 30 June 2017, the item amounted to € 160,737 thousand and is detailed as follows under CGUs/Operating segments:

€ '000s				
CGU	Operating segments	30/06/2017	31/12/2016	Change
Assicom Goodwill	(Credit Information & Management)	69,001	69,001	0
Ribes Goodwill	(Credit Information & Management)	14,099	18,677	-4,578
RE Valuta Goodwill	(Credit Information & Management)	4,578	0	4,578
Creditreform Goodwill	(Credit Information & Management)	639	639	0
Co.Mark Goodwill	(Sales & Marketing Solutions)	46,663	46,663	0
Eco-Mind App Factory Goodwill	(Digital Trust)	27	27	0
Visura Goodwill	(Digital Trust)	25,191	25,191	0
Sixtema Goodwill	(Digital Trust)	539	0	539
	Goodwill	160,737	160,198	539

Goodwill is periodically subject to testing to determine the existence of any impairment. For the purpose of preparing these Condensed Interim consolidated financial statements, based on the information available and in view of the absence of “trigger events”, the decision was taken not to carry out the impairment tests, which therefore will be performed at the time of the preparation of the Consolidated Financial Statements at year-end.

The change in the period refers to the recognition of the excess cost paid with respect to the net assets acquired through the acquisition of control of Sixtema S.p.A. (€ 539 thousand), whose determination is detailed in Note 12. *Business combinations*; it should be noted, in this regard, that the allocation of the goodwill to the Sixtema CGU has been defined provisionally, given that the fair value measurement of the net assets acquired is still in progress.

Following the internal reorganisation in the Credit Information & Management sector, which saw the transfer of the RE Valuta shareholding in Tecnoinvestimenti from the subsidiary Ribes (through an extraordinary distribution of dividends in kind), the goodwill originally allocated to the group of CGUs (Ribes and RE Valuta) was allocated to the individual CGUs Ribes and RE Valuta, using the approach of the relative value of the CGUs at the date of the reorganisation, in consideration of the fact that they separately represent the minimum level within the entity in which the goodwill is monitored for internal management purposes.

Other intangible assets with indefinite useful life

The item Other intangible assets with indefinite useful life is comprised of the value of the press review database known as AZ Press attributable to the company Assicom S.p.A.. In consideration of the specific nature of this database, it is not possible to define a criterion that allows an entity to correlate the value of the individual items of data with the dates they historically go back to and to determine a useful life. Each check regarding the value of the database as a whole, as with that of its capacity to express future use, therefore can only be delegated to periodic analysis of the recoverability of the investment. For the purpose of preparing these Condensed Interim consolidated financial statements, based on the information available and in view of the absence of “trigger events”, it was decided not to proceed with the preparation of impairment tests, which will therefore be performed at the time of the drafting of the Consolidated Financial Statements at year-end.

Intangible assets with definite useful life

Industrial patents and intellectual property rights

The item industrial patents and intellectual property rights includes expenses relating to evolutionary maintenance and development of the platform relating to the software application for the management of the databases of the Credit Information & Management sector, and costs for the purchase of the software licences used to provide services relating to the Digital Trust sector.

The increases in the period are attributable, for € 795 thousand, to the Credit Information & Management sector and, more specifically, for € 624 thousand relate to Ribes S.p.A. for the purchase of software licences.

Other intangible assets from consolidation

Other intangible assets from consolidation are comprised of intangible assets booked at the time of the fair value recognition of the assets acquired as part of the following business combinations:

€ '000s	30/06/2017	31/12/2016	Change
Assicom Customer list & backlog order	11,984	12,558	-574
Ribes Customer list	5,605	5,785	-181
Infonet Customer list	4,833	5,012	-179
Visura Group Customer list	5,770	6,491	-721
Co.Mark Customer list & backlog order	2,469	2,963	-495
Datafin Customer list	509	575	-66
Know how Expert Links	11	21	-11
Other intangible assets from consolidation	31,179	33,406	-2,227

The decrease relating to First Half 2017 is attributable to amortisation in the period.

15. EQUITY INVESTMENTS

Equity-accounted investments

A net decrease of € 2,461 thousand was recorded in the period, determined by the elimination of the equity investment in Sixtema S.p.A., as a result of the line-by-line consolidation from 1 April 2017, due to the acquisition of control of said company, as previously commented on in Note 12. *Business combinations*. At 31 December 2016, this investment was 35% owned and was recognised, based on the equity method, at a book value of € 2,459 thousand. As a result of the aforementioned acquisition, First Half 2017 saw the recognition of both the valuation with the equity method at 31 March 2017 equal to € 2 thousand, and the income from the fair value revaluation of the 35% shareholding held previously for € 107 thousand, included under financial income and described in Note 36. *Net financial expenses*.

The tables below show the valuation with the equity method and the summary of the item (amounts in thousands of Euro):

€ '000s	% ownership	31/12/2016	Increases/Decreases to the Income Statement	Changes in scope of consolidation	30/06/2017	% ownership
Sixtema S.p.A.	35%	2,459	2	-2,461	0	80%
eTuitus S.r.l.	24%	12	0	0	12	24%
Investments in associates		2,471	2	-2,461	12	

Equity investments recognised at cost

The item in question includes equity investments in other companies for an amount of € 17 thousand, relating to minority stakes in companies/consortia. The increase of € 11 thousand compared to 31 December 2016 is attributable to the membership fees generated by the consolidation of Sixtema S.p.A..

16. OTHER NON-CURRENT FINANCIAL ASSETS, EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS

€ '000s	30/06/2017	31/12/2016	Change
Other financial assets, excluding derivative financial instruments	587	2,898	-2,311

The decrease in the item is attributable to the reclassification to Other current financial assets of the long-term investment contracts signed by Visura S.p.A. and I.S.I. S.r.l., amounting to € 2,310 thousand at 31 December 2016, as a result of the resolution of the Boards of Directors of the respective companies which resolved their early extinguishment.

The residual amount mainly includes receivables for security deposits generated by both the Visura Group and InfoCert S.p.A.

17. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets/liabilities, attributable to deductible and taxable temporary differences generated also due to consolidation adjustments, are detailed as follows:

€ '000s	30/06/2017	31/12/2016	Change
Deferred tax assets	3,120	2,898	222
Deferred tax liabilities	9,670	10,163	-493
Net deferred tax assets	-6,550	-7,265	715

Details of and changes in deferred tax assets and liabilities in First Half 2017 are outlined below:

€ '000s							
	31/12/2016	Allocations (Releases) to Income Statement	Allocations (Releases) to Statement of Comprehensive Income	Allocations (Releases) to Equity	Allocations	Change in scope	30/06/2017
Deferred tax assets:							
Deductible goodwill	386	-21	0	0	0	0	364
Provisions for risks and charges	172	-26	0	0	0	0	146
Write-downs of fixed assets	34	-2	0	0	0	0	32
Write-downs of receivables and warehouse inventories	441	31	0	0	0	5	478
Negative change in hedging instruments	55	0	-5	0	0	0	50
Difference in statutory and tax amortisation rates	659	20	0	0	0	22	700
Interest expense	386	185	0	0	0	0	572
Costs of listing on AIM	125	-24	0	0	0	0	101
Employee benefits	150	-19	0	0	0	39	171
Tax losses which can be carried forward	196	-5	0	0	0	0	191
Other temporary differences	294	26	0	0	0	-5	315
Total deferred tax assets	2,898	165	-5	0	0	61	3,120

Deferred tax liabilities:	31/12/2016	Allocations (Releases) to Income Statement	Allocations (Releases) to Statement of Comprehensive Income	Allocations (Releases) to Equity	Allocations	Change in scope	30/06/2017
Difference between book value and fair value of assets and liabilities acquired from business combinations	9,439	-619	0	0	0	0	8,820
Positive change in hedging instruments	0	0	0	0	0	0	0
Accelerated and excess amortisation/depreciation	0	-1	0	0	0	77	76
Other temporary differences	506	-7	0	0	0	0	499
Deductible goodwill	218	57	0	0	0	0	275
Total deferred tax liabilities	10,163	-570	0	0	0	77	9,670
Net balance	-7,265	735	-5	0	0	-16	-6,550

18. TRADE AND OTHER RECEIVABLES

The item Trade and other receivables totalled € 61,661 thousand (€ 51,298 thousand at 31 December 2016) and can be detailed as follows:

€ '000s	30/06/2017	31/12/2016	Change
Receivables from customers	326	136	190
Prepaid expenses	288	142	146
Receivables from others	72	72	0
Trade and other non-current receivables	687	351	336
Receivables from customers	52,840	44,285	8,555
Receivables from holding company	0	4	-4
Receivables from associates	0	222	-222
Receivables from others	1,641	1,141	500
VAT receivable	288	466	-178
Irpef receivable	5	7	-2
Other tax receivables	379	489	-111
Prepaid expenses	5,700	4,276	1,424
Accrued income	7	8	-1
Contract work in progress	115	48	66
Trade and other current receivables	60,974	50,948	10,027
<i>of which vs Related Parties</i>	165	237	-72
Trade and other receivables	61,661	51,298	10,363

Receivables from customers are stated net of the associated bad debt provision.

The increase in current receivables from customers was impacted by the balances generated by the consolidation of Sixtema S.p.A. which, at 30 June 2017, amounted to € 4,823 thousand net of the associated bad debt provision.

The table below provides details of current trade receivables from customers at 30 June 2017, grouped together by past due bracket, inclusive and exclusive of the associated bad debt provision:

€ '000s	30/06/2017	falling due	past due by 90 days	past due by between 91 and 180 days	past due by between 181 days and one year	past due by more than one year
Current trade receivables from customers	56,170	35,739	10,287	3,387	3,404	3,353
Bad debt provision	3,330	137	170	118	656	2,249
% Bad debt provision	5.9%	0.4%	1.6%	3.5%	19.3%	67.1%
Net value	52,840	35,602	10,118	3,268	2,748	1,104

The table below shows the changes in the bad debt provision during the year:

€ '000s	
Bad debt provision at 31 December 2016	2,509
Allocations 1st Half 2017	820
Uses 1st Half 2017	-600
Releases 1st Half 2017	-2
Change in scope of consolidation	603
Bad debt provision at 30 June 2017	3,330

Prepaid expenses measure expenses whose accrual is deferred with respect to the actual date of payment and/or of the document; they do not consider the date of payment of the related expenses, common to two or more years and distributed over time. This item, in addition to the cost of insurance and rent, mainly relates to hardware and software maintenance services purchased by the subsidiary InfoCert S.p.A., as well as the commissions due to agents and the unused portion of prepaid supply contracts of the subsidiary Assicom S.p.A. The increase in prepaid expenses with respect to 31 December 2016 was impacted by the balance generated by the consolidation of Sixtema S.p.A., for € 362 thousand.

Contract work in progress refers to software development activities in the Digital Trust sector of InfoCert S.p.A.; the changes in the period are outlined below:

€ '000s	31/12/2016	Increase for revenues	Decreases for invoicing	Write-downs	30/06/2017
Contract work in progress	48	1,195	-1,064	-64	115

The write-down in the period relates to the estimated loss on completion on a job which is expected to be finished by the end of the year; the loss was recognised in the item 'Other operating costs'.

19. INVENTORIES

Inventories totalled € 876 thousand at 30 June 2017 (€ 1,001 thousand at 31 December 2016) and can be detailed as follows:

€ '000s	30/06/2017	31/12/2016	Change
Raw materials and consumables	666	871	-205
Finished products and goods	210	130	79
Inventories	876	1,001	-125

Inventories of raw materials are primarily attributable to InfoCert S.p.A., as part of the company's normal production and sale activities, and are composed mostly of chips for business keys, smart cards, CNS and

other electronic components available for sale. Inventories of raw materials are stated net of the associated bad debt provision of € 106 thousand; this bad debt provision did not undergo any changes in the half. Inventories of finished products and goods relate to the Digital Trust sector and concern stocks of digital signature readers, smart cards and business keys.

20. OTHER CURRENT FINANCIAL ASSETS, EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS

Other current financial assets amounted to € 5,344 thousand at 30 June 2017 (€ 6,352 thousand at 31 December 2016).

The decrease recorded in the period is due to the collection of an amount of € 3,423 thousand relating to a long-term insurance contract concerning InfoCert S.p.A., which reached its natural expiry on 1 April 2017, booked for € 3,405 thousand at 31 December 2016. During the period, the following were also recorded, as outlined in Note 16. Other non-current financial assets, the reclassification to Other current financial assets of the long-term insurance capitalisation contracts signed by Visura S.p.A. and I.S.I. S.r.l., amounting to € 2,293 thousand at 30 June 2017, as a result of the resolution of the Boards of Directors of the respective companies which resolved their early extinguishment.

The item is also composed primarily of government bonds (BTPs) for a total of € 1,000 thousand, expiring in November 2017, classified as “Held to maturity” and, for € 1,699 thousand, specific financial assets classified as “Financial assets at fair value booked to the income statement”.

21. CURRENT TAX ASSETS AND LIABILITIES

At 30 June 2017, the Group recorded an overall net credit position for current taxes equal to € 265 thousand (€ 2,178 thousand at 31 December 2016) and can be detailed as follows:

€ '000s	30/06/2017	31/12/2016	Change
Current tax assets	2,938	3,659	-721
<i>of which vs Related Parties</i>	2,662	2,083	579
Current tax liabilities	2,673	1,481	1,191
<i>of which vs Related Parties</i>	2,005	608	1,397
Net current tax assets	265	2,178	-1,913

It should be pointed out that the Parent Company Tecnoinvestimenti S.p.A. and InfoCert S.p.A. participate in the tax consolidation of the controlling shareholder Tecno Holding S.p.A.. This three-yearly participation was approved in 2015 for the 2015-2017 three-year period. Economic and financial transactions, in addition to the responsibilities and mutual obligations, between the consolidating company and the subsidiaries, are defined in the relevant tax consolidation regulation. Related party transactions at 30 June 2017 relate to assets and liabilities for current IRES taxes, of the Parent Company and InfoCert S.p.A. respectively, vis-a-vis the controlling shareholder Tecno Holding S.p.A..

22. DERIVATIVE FINANCIAL INSTRUMENTS

Financial assets and liabilities for derivative instruments can be detailed as follows:

€ '000s	30/06/2017	31/12/2016	Change
Non-current financial assets for hedging derivatives	50	0	50
Non-current financial liabilities for hedging derivatives	219	228	-9
Liabilities for net hedging derivatives	169	228	-59

Non-current financial liabilities for hedging derivatives refer primarily to the interest rate swap contracts entered into by the Group in order to hedge part of the risk of fluctuation in interest rates on the loan obtained by Cariparma, which was subject to renegotiation in the period under review (as better specified in Note 27. *Financial liabilities, excluding derivative financial instruments*). The hedging strategy on the original loan expiring in 2020 was supplemented to adjust it into line with the renegotiation of the loan, expiring on 30 June 2023, through the stipulation of two additional interest rate swaps. The table below shows the type of contract, notional value and fair value at 30 June 2017:

€ '000s	Company	Bank	Notional	Expiry date	Fixed rate	Fair value at 30 June 2017	Fair value at 31 December 2016
IRS	Tecnoinvestimenti S.p.A.	Cariparma	3,858	31.12.2020	0.576%	-56	-76
IRS	Tecnoinvestimenti S.p.A.	Banca Popolare dell'Emilia Romagna	3,523	31.12.2020	0.576%	-52	-69
IRS	Tecnoinvestimenti S.p.A.	Iccrea Banca Impresa	1,007	31.12.2020	0.576%	-15	-20
IRS	Ribes S.p.A.	Cariparma	1,386	31.12.2020	0.595%	-21	-29
IRS	Ribes S.p.A.	Banca Popolare dell'Emilia Romagna	1,265	31.12.2020	0.595%	-20	-26
IRS	Ribes S.p.A.	Iccrea Banca Impresa	362	31.12.2020	0.595%	-6	-8
IRS	Tecnoinvestimenti S.p.A.	Cariparma	5,327	30.06.2023	0.600%	-32	n.a.
IRS	Ribes S.p.A.	Cariparma	1,273	30.06.2023	0.640%	-7	n.a.
Total Interest Rate Swap "hedging instruments"			18,000			-209	-228

In order to adjust existing derivatives at 31 December 2016 into line with the terms of the renegotiated loan, i.e. to make the hedge fully effective, floor options with a notional value of 0, equal to that of the aforementioned interest rate swaps, were acquired for a total amount of € 85 thousand. The table below shows the type of contract, notional value and fair value at 30 June 2017:

€ '000s	Company	Bank	Expiry date	Notional	Strike	Rate hedged	Fair value at 30 June 2017	Fair value at 31 December 2016
IRS	Tecnoinvestimenti S.p.A.	Cariparma	31.12.2020	8,388	0.00%	6-month Euribor	37	n.a.
IRS	Ribes S.p.A.	Cariparma	31.12.2020	3,013	0.00%	6-month Euribor	14	n.a.
Total Floor Options - "hedging instruments"				11,400			50	0

The residual € 10 thousand in non-current financial liabilities for hedging derivatives is attributable to an interest rate swap generated by the consolidation of Sixtema S.p.A., relating to a finance lease hedging strategy.

Derivative financial instruments fall within Level 2 of the fair value hierarchy.

23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to € 37,259 thousand at 30 June 2017 (€ 60,431 thousand at 31 December 2016) and are broken down as follows:

€ '000s	30/06/2017	31/12/2016	Change
Bank and postal deposits	37,174	60,357	-23,183
Cheques	66	54	11
Cash and cash equivalents on hand	20	20	0

Cash and cash equivalents	37,259	60,431	-23,172
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The balance is mainly represented by the cash and cash equivalents held in bank accounts at leading national banks.

The decrease of € 23,172 thousand in liquidity is attributable to:

- liquidity absorbed by financing activities (amounting to € 43,017 thousand) mainly due to the acquisition of minority stakes in Assicom (32.5%) and Ribes (12.5%) totalling € 35,057 thousand, and the payment of dividends to the minority shareholders of the subsidiaries and to shareholders of the Parent Company totalling € 6,977 thousand;
- the liquidity generated by operations totalling € 17,434 thousand;
- the liquidity generated by investment activities totalling € 2,411 thousand, primarily due to the liquidation of the insurance policy of InfoCert S.p.A. for € 3,423 thousand (as better specified in Note 20. *Other current financial assets*).

24. EQUITY

Consolidated equity at 30 June 2017 amounted to € 127,122 thousand (€ 129,921 thousand at 31 December 2016) and can be analysed as follows:

€ '000s	30/06/2017	31/12/2016	Change
Share capital	46,256	46,256	0
Legal reserve	1,433	1,136	297
Share premium reserve	53,156	53,156	0
Reserve from valuation of derivative hedging instruments	-158	-173	15
Defined benefit plans reserve	-343	-343	0
Other reserves	18,638	18,146	492
Group profit (loss)	7,947	11,555	-3,608
Total Group equity	126,930	129,734	-2,804
Capital and minority reserves	159	136	24
Minorities profit (loss)	33	51	-19
Total minority interests	192	187	5
Total equity	127,122	129,921	-2,799

The *share premium reserve* was established in 2014 as a result of the increase in share capital executed as part of the listing of the Company's shares on Borsa Italiana's AIM. This transaction not only raised the share capital from € 25,000 thousand to € 31,700 thousand, but resulted in the recognition of this reserve for an amount of € 19,173 thousand, net of costs of € 461 thousand relating to the issuing of the new shares. Said share premium reserve was increased in 2016 following the share capital increase completed in August 2016; this transaction not only raised the share capital from € 31,770 thousand to € 46,256 thousand as stated above, but resulted in the recognition of additional paid-in capital of € 34,935 thousand, net of costs of € 951 thousand relating to the share capital increase itself (net of the associated tax effect).

The *reserve from the valuation of derivative hedging instruments* refers to the fair value measurement of hedging derivatives (pursuant to Note 22. *Derivative financial instruments*).

The *defined benefit plans reserve* refers to the actuarial component of the Employee Severance Indemnity according to the requirements of IAS 19.

On 4 February 2016, the Extraordinary Shareholders' Meeting of Tecnoinvestimenti resolved to proceed with the issue of 951,000 warrants referred to as "2016-2019 Tecnoinvestimenti Warrants" to be offered for free for subscription to the shareholder Cedacri. The paid share capital increase will take place through the issue of a maximum of 951,000 ordinary shares for the exercise of the 2016-2019 Tecnoinvestimenti Warrants issued upon completion of the Shareholders' Meeting of 4 February 2016, which approved the aforementioned share capital increase and offered free of charge to the shareholder Cedacri. Said Warrants shall not be transferable and shall entitle to the subscription of the new shares to the extent of one new share for each Warrant held, to be exercised in three instalments and in as many time windows (between 5 July and 30 September included in the years 2017 - 2018 - 2019), following the achievement of certain annual turnover targets for the years 2016/2018. In fact, Cedacri S.p.A. initiated and maintains industrial collaborations with Tecnoinvestimenti Group companies and, with respect to the commitment to develop certain levels of business, may increase its shareholding in the company. The issue price of the Tecnoinvestimenti shares for the Warrant is defined, to the extent permitted by applicable law, at € 3.40 per share. The final date for the eventual exercise of the Warrants and therefore, subscription of the new shares is set at 30 September 2019.

25. PROVISIONS

Provisions, amounting to € 1,503 thousand at 30 June 2017 (€ 1,545 thousand at 31 December 2016) are detailed as follows:

€ '000s	31/12/2016	Allocations	Uses	Releases	Change in scope	30/06/2017
Provision for pension	745	65	-33	-3	0	773
Other non-current provisions	535	0	-3	0	40	572
Non-current provisions	1,279	65	-36	-3	40	1,345
Other current provisions	265	50	-57	-101	0	157
Current provisions	265	50	-57	-101	0	157
Provisions	1,545	115	-93	-104	40	1,503

The provision for pensions refers to the allocation of the customer supplementary indemnity due when required by law to agents. The allocation is recognised in Costs of services.

The item 'Other non-current provisions', amounting to € 572 thousand at 30 June 2017 (€ 535 thousand at 31 December 2016), is attributable primarily to the company Ribes S.p.A. and mainly includes the estimate for expenses relating to disputes in progress with customers and suppliers, as well as an allocation set aside in previous years following assessment notices issued by the Italian Revenue Agency regarding VAT, against which appeals were submitted to the Provincial Tax Commission.

The allocations, uses and releases in the period concerning other current provisions relate to the disputes with staff of the company Assicom S.p.A., either current employees or those whose employment was terminated in 2016. Allocations and releases were booked to personnel costs.

As regards the company Ribes S.p.A., it should be noted that civil proceedings at sole instance are in progress, which aim to obtain compensation for damages, from the Agenzia del Territorio (Land Registry Office), deriving from anti-competitive behaviour consisting of the launch of the experimentation of the "property monitoring" service and the abnormal increase in the fees requested for issuing of the "list of subjects", as well as to restrict said Office from continuing to engage in said behaviour. More precisely, by means of the summons notified on 2/7/2009, the company appeared before the Bologna Court of Appeal. By means of non-definitive judgment no. 598 of 19 April 2012, the Bologna Court of Appeal ruled that the conduct of the

Land Registry Office constituted abuse of a dominant position and restricted the Office from continuing to engage in said conduct. It should be noted that the proceedings concluded positively on 24 January 2017 by means of judgment no. 183/2017, upholding the company's appeal. Terms are pending for the appeal of the Italian Revenue Agency (formerly the Land Registry Office) at the Court of Cassation.

26. EMPLOYEE BENEFITS

Employee provisions, amounting to € 8,616 thousand at 30 June 2017 (€ 6,367 thousand at 31 December 2016) are detailed as follows:

€ '000s	31/12/2016	Allocations	Uses	Reclassifications	Change in scope	30/06/2017
Employee severance indemnity (TFR)	6,141	543	-397	0	2,080	8,368
Other non-current employee benefits	45	87	0	-22	0	109
Non-current employee benefits	6,186	630	-397	-22	2,080	8,477
Other current employee benefits	182	85	-149	22	0	139
Current employee benefits	182	85	-149	22	0	139
Employee benefits	6,367	714	-546	0	2,080	8,616

The liability accrued relating to the Virtual Stock Options Plan approved by the Board of Directors of the Parent Company on 14 November 2016 was included in the item "Other employee benefits", aimed at key management personnel, targeted at disbursing deferred sums corresponding to the growth in value of company shares; non-current liabilities amounted to € 109 thousand, while current liabilities, relating to the first tranche of the stock options exercisable from 31 January 2018, came to € 107 thousand.

The decrease in the item "Other current employee benefits", amounting to € 149 thousand, refers to the partial settlement of a long-term incentive program for the current Managing Director of the subsidiary InfoCert S.p.A..

27. FINANCIAL LIABILITIES, EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS

The item includes financial liabilities contracted by the Group in various capacities, except those arising from subscription of derivative financial instruments, and is broken down as follows:

€ '000s	30/06/2017	31/12/2016	Change
Current payables to banks	10,127	10,115	12
Non-current payables to banks	24,809	22,869	1,940
Liabilities for purchase of current minority shares	14,382	22,752	-8,370
Liabilities for purchase of non-current minority shares	25,839	47,008	-21,169
Liabilities for current deferred consideration	1,430	1,508	-78
Liabilities for non-current deferred consideration	4,200	5,600	-1,400
Current payables to the controlling shareholder	248	156	92
Non-current payables to the controlling shareholder	25,000	25,000	0
Payables for the purchase of current leased assets	126	91	34
Payables for the purchase of non-current leased assets	853	358	496
Current payables to other lenders	3,070	2,326	744
Non-current payables to other lenders	4	4	0
Current financial liabilities	29,381	36,947	-7,566
<i>of which vs Related Parties</i>	248	156	92
Non-current financial liabilities	80,706	100,839	-20,133

<i>of which vs Related Parties</i>	25,000	25,000	0
Total	110,087	137,786	-27,699

The expiry of non-current financial liabilities is envisaged, for an amount of € 5,434 thousand, after 5 years from 30.06.2017. Financial liabilities are summarised below, booked to the financial statements at 30 June 2017, broken down on the basis of the contractually envisaged expiry:

€ '000s	within one year	between 1 and 2 years	between 2 and 3 years	between 3 and 4 years	between 4 and 5 years	after 5 years	Book value at 30/06/2017
Payables to banks	10,127	5,051	4,875	4,918	4,961	5,004	34,936
Liabilities for purchase of minority shares	14,382	25,839					40,221
Liabilities for deferred consideration	1,430	1,400	1,400	1,400			5,630
Payables to the controlling shareholder	248	25,000					25,248
Payables for the purchase of leased assets	126	141	132	116	34	430	979
Payables to other lenders	3,070	4					3,073
Total financial liabilities	29,381	57,434	6,408	6,434	4,995	5,434	110,087

Payables to banks

- a) With reference to payables to banks, at the end of 2014, in order to meet the financial commitments resulting from the acquisition of control of the Assicom Group (comprising Assicom, Infonet S.r.l. and Creditreform S.A.) a loan agreement was stipulated with a pool of banks (Cariparma, BPER and ICCREA) for a term of 6 years, for a total amount of € 32 million, expiring on 31 December 2020, with repayment in increasing half-yearly instalments at 6-month Euribor plus a margin of 255 basis points. A loan of € 4.5 million was also taken out by Assicom with said banks to meet the need to rationalise its debt position, expiring on 31 December 2019, with repayment in equal half-yearly instalments at the 6-month Euribor plus a margin of 225 basis points. On 27 April 2017, the companies Tecnoinvestimenti S.p.A., Ribes S.p.A. and Assicom S.p.A. signed a debt refinancing agreement with Cariparma and Friuladria for the residual amount still outstanding at 31 March 2017, amounting to € 27.5 million, split between Tecnoinvestimenti (€ 18.3 million) and the subsidiaries Ribes S.p.A. (€ 6.5 million) and Assicom S.p.A. (€ 2.7 million), with a significant benefit in terms of reduced financial expenses, a savings which will be realised over the next few years. The main terms of the contract are as follows:
- a. Term loan facility replacing the previous one for a total of € 30 million, expiring on 30 June 2023 (Tecnoinvestimenti for € 20.8 million to Cariparma, Ribes for € 6.5 million to Cariparma and Assicom for € 2.7 million to Friuladria), repaid in six-monthly instalments at the 6-month Euribor plus a margin of 130 basis points; starting from the date of approval of the Tecnoinvestimenti Group's Consolidated Financial Statements at 31 December 2017, the margin applicable from the interest period subsequent to the date of approval of the aforementioned Consolidated Financial Statements will be determined on the basis of the Debt Cover Ratio, hereinafter "DCR" (ratio between NFP and EBITDA), as follows: $DCR \geq 3$: Margin 145 basis points; $DCR < 3$ and ≥ 1 : Margin 130 basis points; $DCR < 1$: margin 115 basis points;
 - b. An additional Capex facility line available on request, not drawn down at 30 June 2017, for € 15 million at the 6-month Euribor plus 160 basis points, expiring on 30 June 2023; starting from the date of approval of the Tecnoinvestimenti Group's Consolidated Financial Statements at 31 December 2017, the margin applicable from the interest period subsequent to the date of approval of the aforementioned Consolidated Financial Statements will be determined on the basis of the Debt Cover Ratio, as follows: $DCR \geq 3$: Margin 175 basis

- points; $DCR < 3$ and ≥ 1 : Margin 160 basis points; $DCR < 1$: Margin 145 basis points;
- c. Modification of covenants calculated on the Tecnoinvestimenti Group's Consolidated Financial Statements, with half-yearly cadence on a pro-forma basis taking account of extraordinary transactions. Tecnoinvestimenti S.p.A. is committed, from 30 June 2017 and for each reference half, to respect the following limits: maximum DCR threshold of 3.5 and NFP/Equity ratio of 2.0. At 30 June 2017, these parameters were respected.
 - d. Elimination of guarantees that secured the pool financing, specifically the pledge of Ribes and InfoCert shares.

The residual amount is attributable to a loan of € 1,500 thousand obtained on 7 January 2016 by Assicom S.p.A. in order to finance the acquisition of Datafin, completed in 2015. The loan is not secured by guarantees. The loan, with a duration of 3 years, is repayable in 12 quarterly instalments, including capital and interest, as of 30 June 2016. The rate applied is an annual nominal rate of 0.81%, notwithstanding the possibility for the bank, with no obligation of advance notice, to adjust the rate to the 6-month Euribor plus a fixed component of 0.85 points per annum.

Details of the bank loans in place at 30 June 2017 are provided below, with evidence of the current and non-current portions.

Payables to banks							
€ '000s	Company	Counterparty	Interest rate	Expiry date	Current portion	Non-current portion	Residual value at 30 June 2017
Loan - Credit line A1	Tecnoinvestimenti S.p.A.	Cariparma S.p.A.	6-month Euribor + spread of 1.30%	30/06/2023	3,467	16,883	20,350
Loan - Credit line A2	Ribes S.p.A.	Cariparma S.p.A.	6-month Euribor + spread of 1.30%	30/06/2023	1,083	5,286	6,370
Loan - Credit line A3	Assicom S.p.A.	Friuladria S.p.A.	6-month Euribor + spread of 1.30%	30/06/2023	450	2,212	2,662
Loan - Assicom S.p.A.	Assicom S.p.A.	MPS S.p.A.	annual 0.81% / 6-month Euribor + spread of 0.85%	31/03/2019	500	375	875
Other minor loans					8	52	60
Non-current bank payables including current portion					5,508	24,809	30,317

Residual current payables due to banks refer to bank overdrafts and advances used by the Group to meet temporary cash requirements.

Liabilities for purchase of minority shares

The item Liabilities for purchase of minority shares includes:

- Liabilities for Put options granted by the Group to minority shareholders of RE Valuta S.p.A. (11.875%), Co.Mark S.p.A. (30%), Visura S.p.A. (40%), Sixtema S.p.A. 20% These liabilities were determined as the present value of the amount payable at the contractually agreed deadlines with respect to the reversal of the interests of the same minority shareholders. At 30 June 2017, the discount rate used is equal to the WACC (Weighted Average Cost of Capital) used for the purposes of the impairment test of the goodwill arising from the purchase of the shares in question (8.0%).
- Liabilities for contingent consideration connected with the acquisitions of Co.Mark S.p.A., Sixtema S.p.A. and Eco-Mind App Factory. These liabilities were determined as the present value of the amount payable at the contractually agreed deadlines. At 30 June 2017, the discount rate used is equal to the WACC used for the purposes of the impairment test of the goodwill arising from the purchase of the shares in question (8.0%).

€ '000s	30/06/2017	30/06/2017		31/12/2016	31/12/2016		Change
		Current	Non-current		Current	Non-current	
Co.Mark PUT options	22,248	14,155	8,094	21,278	6,274	15,004	970
Co.Mark contingent consideration	2,572		2,572	2,475		2,475	97
Visura PUT options	11,330		11,330	10,832		10,832	498
Visura contingent consideration	0			884	884		-884
RE Valuta PUT options	1,327		1,327	0			1,327
Sixtema PUT options	1,341		1,341	0			1,341
Sixtema contingent consideration	1,175		1,175	0			1,175
Eco-Mind App Factory contingent consideration	227	227		213		213	14
Assicom PUT options	0			26,850	8,858	17,992	-26,850
Assicom contingent consideration	0			492		492	-492
Ribes PUT options	0			6,736	6,736		-6,736
Total liabilities for purchase of minority shares	40,221	14,382	25,839	69,760	22,752	47,008	-29,539

The decrease in the period is mainly attributable to the exercising of Assicom (32.5%) and Ribes (12.5%) options, which took place in March and April 2017 respectively. The total financial outlay was € 35,057 thousand, inclusive of transaction costs, of which € 28,037 thousand for Assicom and € 7,020 thousand for Ribes.

Liabilities for deferred consideration

Liabilities for deferred consideration are attributable to the deferred consideration granted to the selling shareholders of Co.Mark S.p.A. for an original amount of € 7,000 thousand (plus interest), to be paid in five years following closing, and in five decreasing instalments starting in 2017.

Payables to the controlling shareholder

The item Payables to the controlling shareholder refers to the loan payable of € 25,000 thousand, expiring on 30 June 2019, disbursed by the controlling shareholder Tecno Holding S.p.A. in two tranches in 2016. For this loan, the expected interest is calculated at the Euribor 6m/365 rate plus two percentage points. It is noted that the rate applied may never be less than 2% on an annual basis. The current portion relates to interest accrued during the period and still not paid.

Payables for the purchase of leased assets

The increase in payables for the purchase of leased assets relates to the consolidation of the balances of Sixtema S.p.A. for an amount of € 583 thousand at 30 June 2017, concerning the residual financial liability of a finance lease agreement with a duration of 18 years, expiring in 2030, regarding a part of a building located in Modena, which houses the company's registered office. The residual amount of the liability is attributable, for € 377 thousand, to the remaining financial liability of a finance lease agreement for a building located in Buja (UD), which houses Assicom S.p.A.'s registered office.

Payables to other lenders

The item current payables to other lenders relates, for € 2,151 thousand (€ 1,587 thousand at 31 December 2016) to the Visura Group, primarily for the prepayment made by customers to purchase stamps and rights and still not used at 30 June 2017 and, for € 570 thousand, to Assicom S.p.A. for payables due to customers for sums recovered from retrocession as part of credit collection activities (€ 732 thousand at 31 December 2016). The increase in the item in the period is also due to the consolidation of the balances of Sixtema S.p.A. due to the prepayment made by customers to purchase stamps and rights and still not used at 30 June 2017 for an amount of € 346 thousand.

28. TRADE AND OTHER CURRENT PAYABLES

The item Trade and other current payables totalled € 38,606 thousand (€ 33,185 thousand at 31 December 2016) and can be detailed as follows:

€ '000s	30/06/2017	31/12/2016	Change
Payables to suppliers	20,175	18,453	1,722
Payables to the controlling shareholder	103	51	52
Payables to associates	3	77	-74
Payables to pension and social security institutions	3,585	3,553	32
VAT payables	2,995	1,136	1,858
Payables for withholdings on income to be paid	1,755	1,577	178
Other tax payables	8	500	-492
Payables to others	9,939	7,785	2,154
Accrued liabilities – trade	43	52	-9
Trade and other current payables	38,606	33,185	5,420
<i>of which vs Related Parties</i>	<i>117</i>	<i>188</i>	<i>-71</i>

The increase in payables due to suppliers was impacted by the balances generated by the consolidation of Sixtema S.p.A. which, at 30 June 2017, amounted to € 691 thousand.

The increase in VAT payable is due to the normal trend in the payments on account in December.

The item Payables to others mainly includes payables to employees for salaries to be paid, unused holiday pay and bonuses payable.

29. DEFERRED REVENUE AND INCOME

The item in question, amounting to € 22,168 thousand at 30 June 2017 (€ 18,278 thousand at 31 December 2016) are detailed as follows:

€ '000s	30/06/2017	31/12/2016	Change
Non-current deferred income	809	546	263
Current advances	3,582	3,371	211
Current deferred income	17,777	14,360	3,416
Non-current deferred revenue and income	809	546	263
Current deferred revenue and income	21,359	17,732	3,627
Deferred revenue and income	22,168	18,278	3,890

The increase in current deferred income with respect to 31 December 2016 is attributable, for € 525 thousand, to the consolidation of Sixtema S.p.A..

INFORMATION ON THE COMPREHENSIVE INCOME STATEMENT

With respect to First Half 2016, the Consolidated Income Statement data of First Half 2017 include the balances of First Quarter 2017 of the Co.Mark Group (Sales & Marketing Solutions sector) consolidated from 1 April 2016, of First Half 2017 of the Visura Group (Digital Trust sector) consolidated from 1 July 2016, of Second Quarter 2017 of Sixtema S.p.A. (Digital Trust sector) consolidated from 1 April 2017; therefore the increase in income statement items, where not indicated otherwise, is due to the contribution of the above-mentioned acquisitions.

It should be noted that, as detailed extensively in Note 13. *Business Combinations* of the 2016 Consolidated Financial Statements, in relation to the completion of the identification of the fair values of the assets and liabilities of the Co.Mark S.p.A. Group, of Datafin and Eco-Mind App Factory, with respect to the previous accounting statements published, the comparative balances of First Half 2016 were re-stated. In First Half 2017, some non-monetary employee benefits, reported previously primarily under costs of services, were reclassified to personnel costs; the allocations to the supplementary customer indemnity provision for agents were also reclassified from the item 'allocations' to the item 'costs of services'; in order to ensure better comparability of the results, these reclassifications were also made to the comparative balances of First Half 2016, as illustrated in the table below.

€ '000s	Six-month period closed at 30 June						2016 Re-stated
	2016	Completion of Business combination Eco-Mind App Factory	Completion of Business combination Datafin	Completion of Business combination Co.Mark	Reclassification of employee benefits	Reclassification of FISC. all.	
Revenues	70,284			-392			69,892
Costs of raw materials	3,193			-6	-3		3,184
Costs of services	30,655			-294	-375	25	30,011
Personnel costs	22,358				379		22,737
Other operating costs	830			-48			782
Amortisation and depreciation	3,982	97	20				4,099
Provisions	25					-25	0
Impairment	552						552
Total costs	61,596	97	20	-348	0	0	61,366
OPERATING PROFIT	8,688	-97	-20	-44	0	0	8,526
Financial income	21						21
Financial expenses	666			45			712
Net financial expenses	-646	0	0	-45	0	0	-691
Share of profit of equity-accounted investments, net of tax	-32						-32
PROFIT BEFORE TAX	8,011	-97	-20	-90	0	0	7,803
Income tax expense	2,724	-28	-6	9			2,700
NET PROFIT FROM CONTINUING OPERATIONS	5,287	-69	-14	-99	0	0	5,104

Profit (loss) from discontinued operations, net of tax	0						0
PROFIT FOR THE PERIOD	5,287	-69	-14	-99	0	0	5,104

30. REVENUES

In First Half 2017, revenues totalled € 85,404 thousand (€ 69,892 thousand in the same period in the previous year) and can be detailed as follows:

€ '000s	six-month period closed at 30 June		
	2017	2016	Change
Revenues from sales and services	84,312	69,308	15,004
Other revenues and income	1,092	584	508
Revenues	85,404	69,892	15,512
<i>of which vs Related Parties</i>	<i>167</i>	<i>476</i>	<i>-309</i>

Details of revenues by operating segment are summarised below:

€ '000s	Digital Trust		Credit Information & Management		Sales & Marketing Solutions		Other sectors (Holding Company Costs)		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Sector revenues	39,215	25,170	36,921	40,037	9,407	4,619	251	289	85,794	70,115
Intra-sectoral revenues	32	12	109	19	0	0	250	192	390	223
Revenues from third-party clients	39,184	25,158	36,813	40,018	9,407	4,619	1	98	85,404	69,892

31. COSTS OF RAW MATERIALS

Costs of raw materials in First Half 2017 amounting to € 2,843 thousand (€ 3,184 thousand in the same period in the previous year), refer almost entirely to the Digital Trust sector, largely due to InfoCert S.p.A., and mainly include the amounts relating to the purchase of IT products intended for resale to customers.

€ '000s	six-month period closed at 30 June		
	2017	2016	Change
Hardware, software	2,280	2,038	242
Production consumption	253	1,113	-859
Change in inventories of raw materials, consumables and goods	200	-126	326
Other general consumption	110	160	-50
Costs of raw materials	2,843	3,184	-342

32. COSTS OF SERVICES

In First Half 2017, costs of services totalled € 33,347 thousand (€ 30,011 thousand in the same period in the previous year) and can be detailed as follows:

€ '000s	six-month period closed at 30 June		
	2017	2016	Change
Purchase of services for access to databases	10,778	10,511	266
Agents' network costs	4,052	3,662	389
Software development	3,308	2,576	732
Technical services	2,640	3,033	-393
Cost of rents and leases	2,285	1,540	746
Specialist professional services	1,721	1,276	445
Trips, transfers and accommodation	1,229	893	336
Maintenance expenses	1,198	1,343	-145
IT structure costs	1,029	624	406
Advertising, marketing communication costs	833	893	-60
Help desk services	812	672	141
Consultancy	502	881	-379
Network and connectivity costs	464	22	441
Insurance	190	181	9
Independent Auditors' fees	188	260	-72
Statutory auditors' fees	176	139	37
Commercial costs	82	93	-11
Capitalised costs of services	-268	-322	53
Other costs of services	2,128	1,735	393
Costs of services	33,347	30,011	3,336
<i>of which vs Related Parties</i>	736	307	429
<i>of which non-recurring</i>	757	980	-223

Non-recurring costs of services incurred in First Half 2017 amounted to € 757 thousand for expenses connected with the evaluations of possible target companies, of which € 587 thousand recognised under specialist professional services and € 170 thousands under consultancy costs. In First Half 2016, non-recurring costs of services totalled € 980 thousand.

33. PERSONNEL COSTS

In First Half 2017, personnel costs totalled € 29,801 thousand (€ 22,737 thousand in the same period in the previous year) and can be detailed as follows:

€ '000s	six-month period closed at 30 June		
	2017	2016	Change
Wages and salaries	20,034	15,381	4,652
Social security contributions	5,483	4,385	1,098
Employee severance indemnity (TFR)	1,338	975	363
Other personnel costs	1,233	979	253
Capitalised personnel costs	-483	-350	-133
Directors' fees	2,108	1,243	865
Ongoing collaboration	88	124	-36
Personnel costs	29,801	22,737	7,064
<i>of which non-recurring</i>	380	0	380

The increase in personnel costs compared to the previous year is in line with the change in the average number of employees with respect to First Half 2016:

Number of employees	30/06/2017	Average number in six-month period closed at 30 June	
		2017	2016
Managers	32	31	25
Middle managers	148	128	104
White collars	850	784	574
Total	1,030	943	703

The item Capitalised personnel costs refers primarily to the capitalisation in intangible assets of the software development activities carried out by Ribes S.p.A..

The allocation for the year of € 171 thousand relating to the liability connected with the Virtual Stock Options Plan approved by the Board of Directors of the Parent Company on 14 November 2016 was included in the item "Other personnel costs", aimed at key management personnel, targeted at disbursing deferred sums corresponding to the growth in value of company shares. Allocations and releases of employee benefit provisions were also recognised in the item.

Non-recurring personnel costs recorded in First Half 2017 refer to the extraordinary payment made to the outgoing Managing Director of Assicom S.p.A. as a result of the exercising of purchase options on minorities, recognised under Directors' fees.

34. OTHER OPERATING COSTS

In First Half 2017, Other operating costs totalled € 1,028 thousand (€ 782 thousand in the same period in the previous year), of which € 13 thousand with respect to Related Parties. These costs refer to items of a residual nature such as membership fees, gifts and donations, sundry taxes and duties, sanctions and penalties and contingent liabilities. The item in question also includes an estimated loss on completion of € 64 thousand on a long-term job order of InfoCert S.p.A., which is expected to be finished by the end of the year.

35. DEPRECIATION, AMORTISATION, PROVISIONS AND IMPAIRMENT

Details of the items depreciation/amortisation, provisions and impairment are summarised below:

€ '000s	six-month period closed at 30 June		
	2017	2016	Change
Depreciation of property, plant and equipment	1,310	1,092	218
Amortisation of intangible assets	3,853	3,007	846
Depreciation/amortisation	5,163	4,099	1,064
Impairment	818	552	266

In First Half 2017, depreciation/amortisation amounted to € 5,163 thousand (€ 4,099 thousand in the same period in the previous year), of which € 1,310 thousand relating to property, plant and equipment and €

3,853 thousand relating to intangible assets. As regards the breakdown, please refer to the tables of changes in property, plant and equipment and intangible assets set out in Notes 13 and 14 respectively.

Amortisation of intangible assets is attributable, for € 2,227 thousand, to other intangible assets from consolidation comprised of intangible assets booked at the time of the fair value recognition of the assets acquired as part of business combinations. The most significant amortisation amounts in the year are listed below:

- € 721 thousand relating to the customer list of the Visura Group;
- € 574 thousand relating to the backlog order and customer list of the Assicom Group;
- € 495 thousand relating to the backlog order and customer list of the Co.Mark Group;
- € 181 thousand relating to the customer list of the Ribes S.p.A.;
- € 179 thousand relating to the customer list of Infonet S.r.l. (now merged in Ribes);
- € 66 thousand relating to the customer list of Datafin (now merged in Assicom).

The item Provisions is composed of the operating changes (allocations and releases) of provisions for allocations, excluding those for employee benefits (classified under Personnel costs). No provisions or impairment were recorded during the period.

The item Impairment in the period refers entirely to trade receivables considered uncollectable; in this regard, please refer to Note 19. *Trade and other receivables*.

36. NET FINANCIAL EXPENSES

In First Half 2017, Net financial expenses totalled € 722 thousand (€ 691 thousand in the same period in the previous year). In First Half 2017, the item in question includes financial expenses of € 981 thousand (€ 712 thousand in the same period of 2016), net of financial income of € 259 thousand (€ 21 thousand in the same period of 2016).

€ '000s	six-month period closed at 30 June		
	2017	2016	Change
Financial income	259	21	238
<i>of which non-recurring</i>	107	0	107
Financial expenses	981	712	269
<i>of which vs Related Parties</i>	248	87	161
Net financial expenses	-722	-691	-31

Financial income

Non-recurring financial income in First Half 2017 includes the income deriving from the fair value measurement of the 35% interest in Sixtema S.p.A., valued using the equity method at 31 March 2017, as better detailed in Note 12. *Business combinations*. The residual increase in financial income is attributable to the consolidation, from 1 July 2016, of the financial assets of the Visura Group described in Note 20. *Other current financial assets*.

Financial expenses

€ '000s	six-month period closed at 30 June		
	2017	2016	Change
Interest expense	627	524	102
Amortised cost	94	97	-3
Negative adjustment to fair value of contingent considerations	158	45	112
Negative adjustment to financial instruments at fair value	14	0	14

Losses on hedging derivatives	45	45	1
Other financial expenses	43	0	43
Financial expenses	981	712	269
<i>of which vs Related Parties</i>	248	87	161

Interest expense recorded is attributable, for € 297 thousand, to the loan stipulated at the end of 2014 for an original amount of € 36,500 thousand, and renegotiated in First Half 2017 (for details please refer to Note 27. *Financial liabilities*); total financial expenses attributable to said loan in the period also include € 94 thousand in expenses accrued by applying the effective interest method and € 45 thousand in losses on hedging derivatives.

The increase in interest expense compared to the previous year is attributable to the interest accrued amounting to € 248 thousand (€ 87 thousand in First Half 2016) on the loan of € 25,000 thousand granted by the controlling shareholder Tecno Holding in two tranches in 2016 (for details please refer to Note 27. *Financial liabilities*). The residual interest expenses refer, for € 62 thousand, to expenses accrued on the deferred consideration granted by the selling shareholders of Co.Mark S.p.A. (for details see Note 27. *Financial liabilities*).

The negative adjustment of the fair value of contingent considerations was impacted by the passage of time on the contingent considerations to be paid to the selling shareholders of Co.Mark S.p.A., Visura S.p.A., Sixtema S.p.A. and Eco-Mind App Factory with respect to the amount estimated at 31 December 2016. For details, please refer to the matters already discussed in Note 27. *Financial liabilities*.

The negative adjustment of financial instruments at fair value relates to the financial assets classified as "Financial assets at fair value booked to the income statement", pursuant to Note 20. *Other current financial assets*.

37. INCOME TAX EXPENSE

In First Half 2017, the income tax expense totalled € 3,705 thousand, and can be detailed as follows:

€ '000s	six-month period closed at 30 June		
	2017	2016	Change
IRES (corporate income tax)	4,137	3,593	545
IRAP (regional business tax)	876	700	176
Other current taxes	18	12	5
Deferred tax liabilities	-570	-496	-74
Deferred tax assets	-165	-150	-14
Income taxes relating to previous years	-16	0	-16
Income from tax consolidation	-574	-959	385
Taxes	3,705	2,700	1,006
<i>of which non-recurring</i>	-294	-178	-115

The actual tax rate on the pre-tax result is 31.7%, down compared to First Half 2016 (34.6%). The reduction in the actual tax rate is attributable, first and foremost, to the decrease in the IRES rate from 27.5% to 24%.

The item deferred tax liabilities refers predominantly to the releases of deferred tax liabilities relating to the amortisation of intangible assets recorded at the time of the accounting of business combinations at fair value, as better detailed in Note 17.

The item 'income from tax consolidation' refers to the recognition of the receivable from the holding company Tecno Holding S.p.A. for the tax losses that can be transferred to said entity from Tecnoinvestimenti S.p.A. (€ 574 thousand). These losses will be fully utilised in the tax return, in view of the sufficient taxable incomes of the other companies participating in tax consolidation.

Non-recurring taxes represent the tax effect of non-recurring components.

38. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net profit for the period attributable to the Group by the weighted average number of ordinary shares outstanding during the period (net of any treasury shares):

€ '000s	six-month period closed at 30 June	
	2017	2016
Net result (Euro thousands)	7,947	5,081
Weighted average number of outstanding ordinary shares	46,256,120	31,700,000
Basic earnings per share (Euro)	0.17	0.16

Diluted earnings, again equal to € 0.17 per share, include the effects of the 2016-2019 Tecnoinvestimenti Warrants for a total of 951,000 shares, granted in favour of the shareholder Cedacri S.p.A., which envisage an issue price of shares in service of the Warrants of € 3.40 per share, compared to an average fair value of Tecnoinvestimenti shares in First Half 2017 of € 5.15 per share:

€ '000s	six-month period closed at 30 June	
	2017	2016
Net result (Euro thousands)	7,947	5,081
Weighted average number of shares - diluted	46,578,803	31,700,000
Diluted earnings per share (Euro)	0.17	0.16

39. RELATED PARTY TRANSACTIONS

All transactions with Related Parties are part of normal business operations and are regulated under normal market conditions.

The table below summarises all equity balances and the incidence on the associated items of the statement of financial position at 30 June 2017 and the relative comparative balances at 31 December 2016:

30/06/2017						
€ '000s	Current tax assets	Trade and other current receivables	Non-current financial liabilities	Current financial liabilities	Trade and other current payables	Current tax liabilities
Controlling shareholder	2,662	20	25,000	248	103	2,005
Associates		9			3	
Other Related Parties		137			11	
Total Related Parties	2,662	165	25,000	248	117	2,005
Total financial statement item	2,938	60,974	80,706	29,381	38,606	2,673
% Incidence on total	90.6%	0.3%	31.0%	0.8%	0.3%	75.0%

31/12/2016						
€ '000s	Current tax assets	Trade and other current receivables	Non-current financial liabilities	Current financial liabilities	Trade and other current payables	Current tax liabilities
Controlling shareholder	2,083	4	25,000	156	51	608
Associates		222			77	
Other Related Parties		10			59	
Total Related Parties	2,083	237	25,000	156	188	608
Total financial statement item	3,659	50,948	100,839	36,947	33,185	1,481
% Incidence on total	56.9%	0.5%	24.8%	0.4%	0.6%	41.1%

Assets and liabilities for current taxes refer, respectively, to the receivables and payables that arose in relation to the tax losses and taxable income transferred to the controlling shareholder Tecno Holding S.p.A. as part of tax consolidation. At 30 June 2017, the Parent Company and InfoCert S.p.A. participate in tax consolidation. This three-yearly participation was approved in 2015 for the 2015-2017 three-year period. Economic and financial transactions, in addition to the responsibilities and mutual obligations, between the consolidating company and the subsidiaries, are defined in the relevant tax consolidation regulation.

The item financial liabilities due to the controlling shareholder refers to the loan payable of € 25,000 thousand, expiring on 30 June 2019, disbursed by Tecno Holding S.p.A. in two tranches in 2016. For this loan, the expected interest is calculated at the Euribor 6m/365 rate plus two percentage points. It is noted that the rate applied may never be less than 2% on an annual basis. The current portion relates to interest accrued during the period.

Transactions with the associates at 31 December 2016 included Sixtema and Etuitus. At 30 June 2017, the transactions with the associates solely concerned Etuitus, following the acquisition of control of Sixtema, and were exclusively commercial in nature and relate to InfoCert S.p.A..

The table below summarises all economic transactions and the incidence on the associated items of the income statement in First Half 2017 and the relative comparative balances in First Half 2016:

six-month period closed at 30 June 2017				
€ '000s	Revenues	Costs of services	Other operating costs	Financial expenses
Controlling shareholder		162	4	248
Associates	167	115		
Other Related Parties		459	9	
Total Related Parties	167	736	13	248
Total financial statement item	85,404	33,347	1,028	981
% Incidence on total	0.2%	2.2%	1.3%	25.3%
six-month period closed at 30 June 2016				
€ '000s	Revenues	Costs of services	Other operating costs	Financial expenses
Controlling shareholder	75	130	16	87
Associates	401	135	10	
Other Related Parties		41		
Total Related Parties	476	307	26	87
Total financial statement item	69,892	30,011	782	712
% Incidence on total	0.7%	1.0%	3.2%	12.2%

Costs of services due to the controlling shareholder relate mainly to the leases in place for the offices used by the Parent company (Rome and Milan) and to InfoCert S.p.A.. The financial expenses to the controlling shareholder refer to the interest accrued on the above-mentioned loan.

Transactions with associates in First Half 2017 refer to Sixtema S.p.A., up to 31 March 2017, and Etuitus and are exclusively commercial in nature and depend on InfoCert S.p.A..

Costs of services to other Related Parties refer mainly to costs for lease instalments (totalling € 295 thousand), for the offices of the companies Co.Mark S.p.A. (€ 125 thousand) and the Visura Group (€ 170 thousand).

40. NET FINANCIAL DEBT

As required by Consob communication no. DEM/6064293 of 28 July 2006, the Group's net financial debt at 30 June 2017 is provided below:

	30/06/2017	<i>of which vs Related Parties</i>	31/12/2016	<i>of which vs Related Parties</i>
A Cash	37,194		60,377	
B Cash and cash equivalents	66		54	
C Securities held for trading	0		0	
D Liquidity (A+B+C)	37,259		60,431	
E Current financial receivables	5,344		6,352	
F Current bank payables	-4,619		-2,812	
G Current portion of non-current debt	-5,508		-7,303	
H Other current financial payables	-19,255	-248	-26,832	-156
I Current financial debt (F+G+H)	-29,381		-36,947	
J Net current financial debt (D+E+I)	13,222		29,836	
K Non-current bank payables	-24,809		-22,869	
L Bonds issued	0		0	
M Other non-current financial payables	-56,116	-25,000	-78,198	-25,000
N Non-current financial debt (K+L+M)	-80,925		-101,067	
O Net financial debt (J+N)	-67,704		-71,230	

41. KEY EVENTS SUBSEQUENT TO THE END OF THE HALF-YEAR

A centralised Group treasury management system (cash pooling) was established on 1 July 2017, overseen by the Parent Company Tecnoinvestimenti S.p.A.. The Group companies participating in the cash pooling are Assicom S.p.A., Co.Mark S.p.A., InfoCert S.p.A., ISI S.r.l., Lextel S.p.A., RE Valuta S.p.A., Ribes S.p.A. and Visura S.p.A..

On 6 July 2017, Tecnoinvestimenti S.p.A. concluded the purchase of an additional 10% in the subsidiary Co.Mark S.p.A. which operates in the Sales & Marketing Solutions sector, for a total amount of € 6,655 million, following the exercising of the first Put option by minority shareholders according to the timing contractually agreed. The original contract for the acquisition of the 70% stake required the remaining 30%, held by the founding shareholders, to be subject to Put & Call option rights exercisable in three annual

instalments of 10% each, at a price calculated by applying a variable multiple on annual EBITDA based on the growth rates registered. Tecnoinvestimenti's stake in Co.Mark S.p.A. rose to 80%.

On 20 July, Tecnoinvestimenti S.p.A. announced that, based on the results of the annual financial statements of the companies in the Tecnoinvestimenti Group, the condition set forth in art. 3 of the Regulation of the "Warrant Tecnoinvestimenti 2016-2019" was satisfied. Therefore, Cedacri S.p.A. - shareholder that, based on the information publicly available, holds a 4.95% stake in Tecnoinvestimenti S.p.A. - will be entitled, up until 30 September 2017, to exercise the first tranche of warrants held up to a maximum of 317,000 warrants, corresponding to 317,000 new ordinary shares of Tecnoinvestimenti S.p.A. (equal to 0.685% of the latter's current share capital), at a subscription price of € 3.40, determined in accordance with the relevant Regulation. Cedacri's current shareholding in Tecnoinvestimenti S.p.A. is subject to a lock-up agreement that expires on 6 August 2017.

The merger between the two subsidiaries Assicom S.p.A. and Ribes S.p.A. was approved on 25 July 2017; the respective Boards of Directors unanimously approved the plan for the merger by incorporation of Ribes in Assicom. The new company is expected to be established, based on prior approval of the merger by the shareholders' meetings of the respective companies and an examination of the information and trade union consultation procedures, before the end of 2017. The merger, planned for 2018, was accelerated following the purchase, between March and April 2017, by the Parent Company Tecnoinvestimenti, of the minority shareholdings of the two companies operating in the Credit Information & Management area. The planned merger between Assicom and Ribes is based on the objective of Tecnoinvestimenti S.p.A., now the sole shareholder of both companies, to establish a single operator, managed organically and therefore capable of adopting a dynamic approach to the reference market, thereby strengthening its medium-term competitive positioning. The revenue and cost synergies will allow the company to gradually invest in expanding the information database and extending the product range, in all markets in which it operates (financial, corporate SMEs and professionals), in Credit Information services and Credit Management services. The synergies will allow a gradual increase in the EBITDA margin of the combined entity by more than 3 percentage points by the end of 2018. This target will be reached through the simplification of Corporate Governance, exploiting some selective operating synergies and increased competitiveness in the value-added services which will be offered to customers of the Tecnoinvestimenti Group, thanks to the investments in expanding the proprietary databases already in progress.

Certification of the Condensed Interim Consolidated Financial Statements pursuant to art. 81-ter of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and integrations

1. We the undersigned, Pier Andrea Chevallard and Nicola Di Liello, as Chief Executive Officer and Designated Manager Responsible for the preparation of the Corporate Accounts of Tecnoinvestimenti S.p.A., respectively, certify, taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 24 February 1998 n. 58:

- the adequacy in relation to the characteristics and
- the actual application of the administrative and accounting procedures used for the preparation of the Condensed Interim Consolidated Financial Statements for first half 2017.

2. In this regard, it is to be noted that that no material anomalies arose.

3. It is also certified that

3.1 The Condensed Interim Consolidated Financial Statements:

- a) were prepared in accordance with international accounting standards recognized by the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- b) correspond to the entries in the books and accounting records;
- c) are suitable for providing a true and fair representation of the balance sheet, economic and financial situation of the Issuer and the combined set of the companies included in the scope of consolidation;

3.2 The Interim Report on Operations includes a reliable analysis of the references made to important events that occurred in the first half of the year and their impact on the Condensed Interim Consolidated Financial Statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The Interim Report on Operations also provides a reliable analysis of significant transactions executed with Related Parties.

Turin, 7 August 2017

Pier Andrea Chevallard

Chief Executive Officer

Nicola Di Liello

Manager Responsible for the preparation of
Corporate Accounting Documents



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(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim consolidated financial statements

To the Shareholders of
Tecnoinvestimenti S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Tecnoinvestimenti Group comprising the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes thereto, as at and for the six months ended 30 June 2017. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Cooperative ("KPMG International"), entità di diritto svizzero.

Ancona Asola Bari Bergamo
Bologna Bolzano Brescia
Cagliari Como Firenze Genova
Lecce Milano Napoli Novara
Padova Palermo Parma Perugia
Pescara Roma Torino Treviso
Trento Varese Verona

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Tecnoinvestimenti Group
Report on review of condensed interim consolidated financial statements
30 June 2017

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Tecnoinvestimenti Group as at and for the six months ended 30 June 2017 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Rome, 8 August 2017

KPMG S.p.A.

(signed on the original)

Marco Giordano
Director of Audit