Gruppo MutuiOnline

CONSOLIDATED HALF YEAR FINANCIAL REPORT

SIX MONTHS ENDED JUNE 30, 2018
(FIRST HALF 2018)

Prepared according to IAS 34

INDEX

1. GOVERNING BODIES AND OFFICERS

BOARD OF DIRECTORS

Chairman of the Board	Marco Pescarmona (1) (3) (5) (7)
Chief Executive Officer	Alessandro Fracassi (2) (3) (5)
Directors	Anna Maria Artoni (4)
	Fausto Boni
	Chiara Burberi (4)
	Matteo De Brabant (4)
	Klaus Gummerer (4)
	Valeria Lattuada (4) (6)
	Marco Zampetti

STATUTORY AUDITORS

Chairman of the Board	Stefano Gnocchi
Active Statutory Auditors	Paolo Burlando
	Francesca Masotti
Substitute Statutory Auditors	Raffaele Garzone
	Barbara Premoli

INDEPENDENT AUDITORS EY S.p.A.

COMMITTEES

Audit and Risk Committee

Chairman	Chiara Burberi
	Klaus Gummerer
	Marco Zampetti

Remuneration and Share Incentive Committee

Chairman	Matteo de Brabant
	Anna Maria Artoni
	Klaus Gummerer

Committee for Transactions with Related Parties

Chairman	Valeria Lattuada
	Matteo de Brabant
	Klaus Gummerer

(1) The Chairman is the Company's legal representative.
(2) The Chief Executive Officer legally represents the Company, dis-jointly from the Chairman, within the limits of the delegated powers.
(3) Member of the Executive Committee.
(4) Independent non-executive Director.
(5) Holds executive offices in some Group companies.
(6) Lead Independent Director.
(7) Executive Director in charge of overseeing the Internal Control System.

2. INTERIM DIRECTORS' REPORT ON OPERATIONS

2.1. Introduction

Gruppo MutuiOnline S.p.A. (the "**Company**" or the "**Issuer**") is the holding company of a group of firms (the "**Group**") with a leadership position in the Italian market for the online comparison, promotion and intermediation of products provided by financial institutions and e-commerce operators (main websites: www.mutuionline.it, www.prestitionline.it, www.segugio.it and www.trovaprezzi.it) and in the Italian market for the provision of complex business process outsourcing services for the financial and insurance sectors.

Please refer to the explanatory notes for the accounting standards adopted in the preparation of the consolidated abbreviated interim financial report as of and for the six months ended June 30, 2018.

In the following sections, we illustrate the main facts regarding the operations during the past half year and the current financial and economic structure of the Group.

2.2. Organizational structure

Gruppo MutuiOnline S.p.A. (the "**Company**" or the "**Issuer**") operates through the following wholly-owned subsidiaries:

- MutuiOnline S.p.A., Money360.it S.p.A, PrestitiOnline S.p.A., CercAssicurazioni.it S.r.l., Segugio.it S.r.l., Segugio Servizi S.r.l., 7Pixel S.r.l., ShoppyDoo S.L.U. (a company with registered office in Spain), Klikkapromo S.r.l. and Innovazione Finanziaria SIM S.p.A.: companies operating in the market for the online comparison, promotion and intermediation of products provided by financial institutions and e-commerce operators to retail consumers; together they represent the **Broking Division** of the Group;

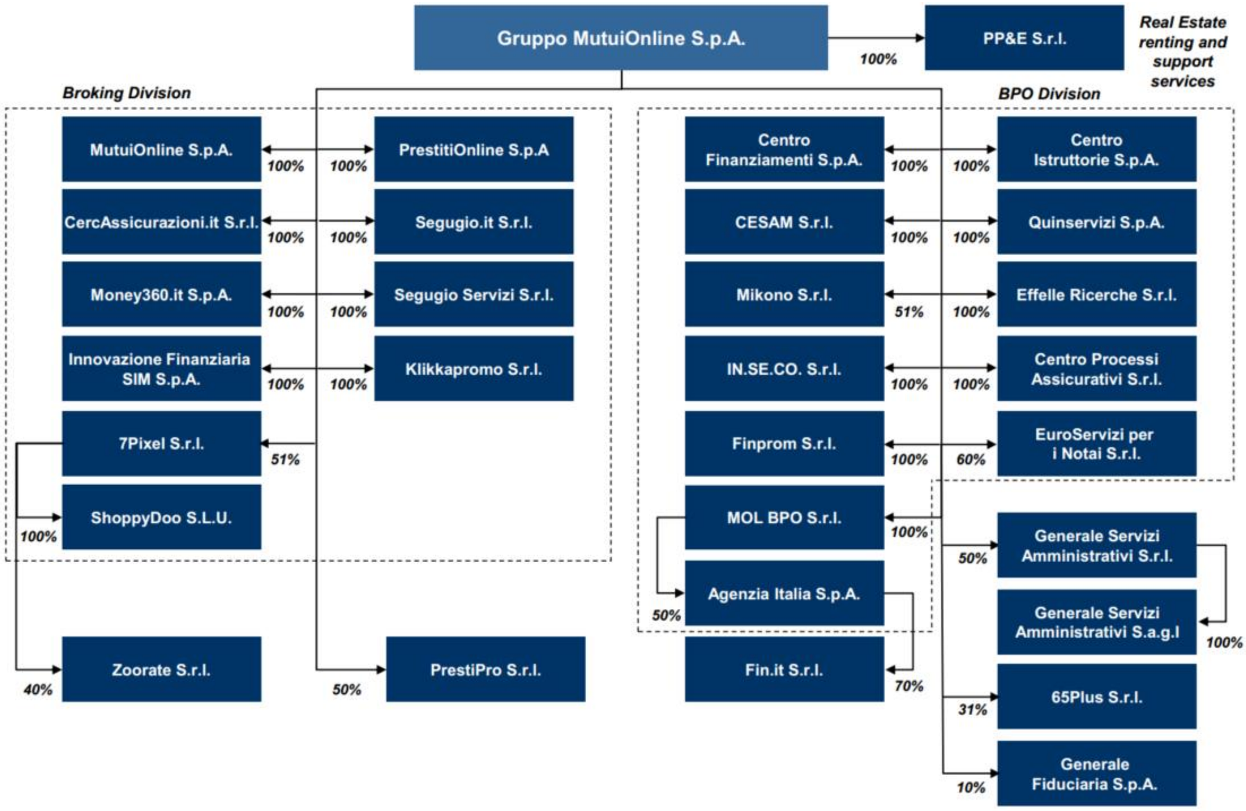
- Centro Istruttorie S.p.A., Centro Finanziamenti S.p.A., Quinservizi S.p.A., CESAM S.r.l., Mikono S.r.l., Effelle Ricerche S.r.l., Centro Processi Assicurativi S.r.l., EuroServizi per i Notai S.r.l., IN.SE.CO. S.r.l., MOL BPO S.r.l., Agenzia Italia S.p.A., and Finprom S.r.l. (a company with registered office in Romania): companies operating in the Italian market for the provision of complex business process outsourcing services for the financial sector; together they represent the **BPO** (i.e. Business Process Outsourcing) **Division** of the Group;

- PP&E S.r.l.: a company providing real estate renting and support services to the other Italian subsidiaries of the Issuer.

In addition, the Issuer holds a 50% stake of the share capital of the joint venture Generale Servizi Amministrativi S.r.l., which provides integrated outsourcing services preparatory to tax advice. Finally, the Group holds, by means of the subsidiary 7Pixel S.r.l., a 40% stake of the share capital of Zoorate S.r.l., a company that develops and sells technological solutions for the on-line collection and management of customer reviews and opinions in the Italian market, a 31% stake of the share capital of 65Plus S.r.l., which offers specialized consulting and financial services for the elderly, a 50% stake of the share capital of the joint venture PrestiPro S.r.l. (previously named CreditPro Mediazione Creditizia S.r.l.) and a 10% stake of the share capital of Generale Fiduciaria S.p.A..

On April 16, 2018, the Issuer acquired from the Finanziaria Internazionale group a participation equal to 50% of the share capital of Agenzia Italia S.p.A., a company with a leadership position in the provision of outsourced services for leasing and long-term rental operators. The total consideration paid for the acquisition, which provides governance rights allowing a full consolidation in the Group results, is equal to Euro 25,000 thousand. The acquisition was carried out through MOL BPO S.r.l., a newly incorporated subsidiary of the Issuer.

Finally, it is worth pointing out that following such transaction, the Group indirectly holds a participation in Fin.it S.r.l., a company owned at 70% by Agenzia Italia S.p.A.. Nevertheless, based on the shareholders' agreement, the Group currently does not exercise control over Fin.it S.r.l.. Therefore, such participation is evaluated with the equity method.



Broking Division

Our Broking Division operates in the Italian market for loan distribution as a credit broker, in the market for insurance distribution as an insurance broker and in the promotion of e-commerce operators. The activities carried out by our Broking Division are organized mainly into the following business lines, on the basis of the products brokered:

(a) **Mortgage Broking** Business Line: broking mortgage loans mainly through remote channels (www.mutuionline.it website) and through a network of field agents;

(b) **Consumer Loan Broking** Business Line: broking consumer loans (prevalently personal loans) through remote channels (www.prestitionline.it website);

(c) **Insurance Broking** Business Line: broking insurance products, mainly motor third party liability and other motor insurance products through remote channels (www.cercassicurazioni.it website);

(d) **E-Commerce Price Comparison**: comparing and promoting the offers of e-commerce operators (www.trovaprezzi.it website).

The Broking Division also operates under the "**Segugio.it**" brand (website www.segugio.it), which acts as a multi-brand aggregator for insurance and banking produts, mainly propelled by TV and Internet advertising focused on insurance products. The individual sections of the website are however managed by the product companies of the Group and the relevant revenues are reported under the above-indicated Business Lines.

The Broking Division also operates, through the www.confrontaconti.it and www.segugio.it websites, as an aggregator for further products, in particular bank accounts and utilities (broadband, electricity, gas, etc.).

Besides, subsidiary Innovazione Finanziaria SIM S.p.A. - authorized to operate as professional provider of placement services to the public without underwriting or warranties pursuant to article 1, comma 5, letter c-bis) of Legislative Decree no. 58 of February 24, 1998 - manages, by means of the www.fondionline.it website, an on-line mutual fund supermarket.

Finally, the Broking Division is developing, by means of subsiadiary Klikkapromo S.r.l., a mobile couponing initiative mainly focused on the consumer goods market.

BPO Division

Our BPO Division provides outsourcing services of critical processes for banks, financial intermediaries, insurance companies, asset management companies, with a high level of specialization in some reference verticals.

Our BPO services are structured along five separate Business Lines, on the basis of the type of services offered and/or the type of underlying product:

(a) **Mortgage BPO** Business Line: provides remote loan sales and packaging and mortgage underwriting and closing services; in this Business Line we currently include real estate valuation services and notary support services;

(b) **CQ Loan BPO** Business Line: provides application processing and portfolio management services for salary/pension guaranteed loans;

(c) **Insurance BPO** Business Line: provides management and claim settlement outsourcing services for not-motor insurance;

(d) **Asset Management BPO** Business Line: provides outsourcing services for the asset management industry;

(e) **BPO Leasing/Rental** Business Line: provides administrative outsourcing services for leasing and long-term rental operators.

2.3. Information about the profitability of the Group

In the following paragraphs we describe the main factors affecting the results of operations of the Group for the six months ended June 30, 2018. The income statement and cash flow data for the six months ended June 30, 2018 are compared with the same period of the previous year.

The following table shows the consolidated income statement of the Group for the six months ended June 30, 2018 and 2017, together with the percentage of each item on Group revenues.

(euro thousand)	June 30, 2018	(a)	June 30, 2017	(a)	Change %
	Six months ended				
Revenues	85,408	100.0%	78,665	100.0%	8.6%
Other income	1,581	1.9%	1,185	1.5%	33.4%
Capitalization of internal costs	548	0.6%	513	0.7%	6.8%
Services costs	(30,889)	-36.2%	(28,779)	-36.6%	7.3%
Personnel costs	(27,564)	-32.3%	(25,096)	-31.9%	9.8%
Other operating costs	(2,802)	-3.3%	(2,565)	-3.3%	9.2%
Depreciation and amortization	(3,117)	-3.6%	(3,497)	-4.4%	-10.9%
Operating income	**23,165**	**27.1%**	**20,426**	**26.0%**	**13.4%**
Financial income	103	0.1%	84	0.1%	22.6%
Financial expenses	(861)	-1.0%	(475)	-0.6%	81.3%
Income/(Losses) from investments	(54)	-0.1%	4	0.0%	-1450.0%
Income/(Expenses) from financial assets/liabilities	(820)	-1.0%	(24)	0.0%	3316.7%
Net income before income tax expense	**21,533**	**25.2%**	**20,015**	**25.4%**	**7.6%**
Income tax expense	(4,938)	-5.8%	(6,070)	-7.7%	-18.6%
Net income	**16,595**	**19.4%**	**13,945**	**17.7%**	**19.0%**

(a) % of total revenues

For a prompt comparison of the data with the consolidated quarterly reports, the following table shows the consolidated income statement for the past five quarters:

	Three months ended				
(euro thousand)	**June 30, 2018**	**March 31, 2018**	**December 31, 2017**	**September 30, 2017**	**June 30, 2017**
Revenues	47,638	37,770	40,673	33,457	40,131
Other income	972	609	1,074	667	657
Capitalization of internal costs	346	202	250	186	314
Services costs	(16,903)	(13,986)	(13,909)	(12,537)	(14,800)
Personnel costs	(15,512)	(12,052)	(13,788)	(10,866)	(12,926)
Other operating costs	(1,536)	(1,266)	(1,253)	(1,056)	(1,062)
Depreciation and amortization	(1,556)	(1,561)	(1,856)	(1,726)	(1,743)
Operating income	**13,449**	**9,716**	**11,191**	**8,125**	**10,571**
Financial income	94	9	49	37	48
Financial expenses	(607)	(254)	(227)	(149)	(251)
Income/(Losses) from investments	64	(118)	(188)	(24)	70
Income/(Expenses) from financial assets/liabilities	(21)	(799)	(210)	(6)	(24)
Net income before income tax expense	**12,979**	**8,554**	**10,615**	**7,983**	**10,414**
Income tax expense	(2,530)	(2,408)	(2,585)	(2,436)	(3,186)
Net income	**10,449**	**6,146**	**8,030**	**5,547**	**7,228**

2.3.1. Revenues

The table below provides a breakdown of our revenues by Division and Business Line for the six months ended June 30, 2018 and 2017:

	Six months ended				
(euro thousand)	**June 30, 2018**	**(a)**	**June 30, 2017**	**(a)**	**Change %**
Mortgage Broking	16,523	19.3%	13,250	16.8%	24.7%
Consumer Loan Broking	3,325	3.9%	3,703	4.7%	-10.2%
Insurance Broking	7,077	8.3%	6,443	8.2%	9.8%
E-Commerce Price Comparison	8,948	10.5%	9,515	12.1%	-6.0%
Other revenues of Broking Division	1,318	1.5%	1,203	1.5%	9.6%
Total revenues of the Broking Division	**37,191**	**43.5%**	**34,114**	**43.4%**	**9.0%**
Mortgage BPO	23,577	27.6%	27,920	35.5%	-15.6%
CQS Loan BPO	8,829	10.3%	9,034	11.5%	-2.3%
Insurance BPO	3,880	4.5%	3,630	4.6%	6.9%
Asset Management BPO	4,249	5.0%	3,967	5.0%	7.1%
Leasing/Rental BPO	7,563	8.9%	-	0.0%	N/A
Other revenues of BPO Division	119	0.1%	-	0.0%	N/A
Total revenues of the BPO Division	**48,217**	**56.5%**	**44,551**	**56.6%**	**8.2%**
Total revenues	**85,408**	**100.0%**	**78,665**	**100.0%**	**8.6%**

(a) % of total revenues

Revenues for the six months ended June 30, 2018 are up 8.6% compared to the same period of the previous financial year, increasing from Euro 78,665 thousand in the first half 2017 to Euro 85,408 thousand in the first half 2018.

The growth of revenues regards both the Broking Division, whose revenues are up 9.0%, increasing from Euro 34,114 thousand in the first half 2017 to Euro 37,191 thousand in the first half 2018, and the BPO Division, whose revenues are up 8.2%, increasing from Euro 44,551 thousand in the first half 2017 to Euro 48,217 thousand in the first half 2018.

As regards the Broking Division, the growth of revenues, if compared to the same period of the previous financial year, is mainly due to the contribution of the Mortgage Broking and Insurance Broking Business Lines, and it is partially offset by the drop of the Consumer Loan Broking and E-Commerce Price Comparison Business Lines.

As regards the BPO Division, the increase of revenues is mainly due to the addition of the BPO Leasing/Rental business line, following the acquisition of Agenzia Italia S.p.A., partially offset by the year on year drop of the revenues of the Mortgage BPO Business Line, mainly attributable to the progressive decrease of para-notarial services related to remortgages.

2.3.2. EBITDA

EBITDA is calculated as net income before income tax expense, net financial income/(expenses) and depreciation and amortization.

EBITDA is up 9.9% in the six months ended June 30, 2018, compared to the same period of the previous financial year, increasing from Euro 23,923 thousand in the first half 2017 to Euro 26,282 thousand in the first half 2018.

2.3.3. *Operating income (EBIT)*

Operating income (EBIT) is up 13.4% in the six months ended June 30, 2018, compared to the same period of the previous financial year, increasing from Euro 20,426 thousand in the first half 2017 to Euro 23,164 thousand in the first half 2018.

	Six months ended				
(euro thousand)	**June 30, 2018**	**(a)**	**June 30, 2017**	**(a)**	**Change %**
Operating income	23,164	27.1%	20,426	26.0%	13.4%
of which					
Broking Division	*12,121*	*32.6%*	*8,759*	*25.7%*	*38.4%*
BPO Division	*11,043*	*22.9%*	*11,667*	*26.2%*	*-5.3%*

(a) % of total revenues by Division

Operating income is up 13.4% in the six months ended June 30, 2018, compared to the same period of the previous financial year, passing from Euro 20.4 million in the first half 2017 to Euro 23.2 million in the first half 2018. The operating margin for the six months ended June 30, 2018 is equal to 27.1% of revenues, higher than the operating margin for the same period of the previous year, equal to 26.0% of revenues. This performance is linked to the growth of the operating margin of the Broking Division, increasing from 25.7% in the first half 2017 to 32.6% in the first half 2018, partially offset by the drop of the operating margin of the BPO Division, passing from 26.2% in the first half 2017 to 22.9% in the first half 2018.

2.3.4. *Financial Revenues/Expenses*

During the six months ended June 30, 2018 we record a negative financial result equal to Euro 1,632 thousand, mainly due to the interest expense on the outstanding loans in the period, to the expenses deriving from the evaluation of the financial liability for the earn out, paid during the first half 2018, for the acquisition of the participation in IN.SE.CO. S.r.l., and for the remainder, to the losses deriving from the evaluation with the equity method of non-controlled participations.

2.3.5. *Taxes*

Income taxes in the six months ended June 30, 2018 are accounted based on the best estimate of the expected tax rate for the entire financial year. The estimated tax rate for the financial year 2018 is equal to 22.9% (30.3% in 2017). The decrease, compared to the previous year, is mainly linked to the reduced taxation regime of the incomes deriving from the utilization of intangible assets (so called "Patent Box") by some companies of the Group.

2.3.6. *Net income of the period*

Net income increases from Euro 13,945 thousand in the six months ended June 30, 2017 to Euro 16,595 thousand in the six months ended June 30, 2018 (+19.0%).

For the six months ended June 30, 2018 the net income of the Group net of minority interest is equal to Euro 15,890 thousand.

2.4. Information about financial resources of the Group

The net financial position of the Group as of June 30, 2018 and December 31, 2017 is summarized as follows:

(euro thousand)	As of June 30, 2018	As of December 31, 2017	Change	%
A. Cash and cash equivalents	89,332	76,569	12,763	16.7%
B. Other cash equivalents	-	-	-	N/A
C. Financial assets held to maturity or for trading	4,486	920	3,566	387.6%
D. Liquidity (A) + (B) + (C)	**93,818**	**77,489**	**16,329**	**21.1%**
E. Current financial receivables	**1,312**	**-**	**1,312**	**N/A**
F. Bank borrowings	(4,538)	(3)	(4,535)	N/A
G. Current portion of long-term borrowings	(16,824)	(30,049)	13,225	-44.0%
H. Other short-term borrowings	-	-	-	N/A
I. Current indebteness (F) + (G) + (H)	**(21,362)**	**(30,052)**	**8,690**	**-28.9%**
J. Net current financial position (I) + (E) + (D)	**73,768**	**47,437**	**26,331**	**55.5%**
K. Non-current portion of long-term bank borrowings	(79,282)	(25,262)	(54,020)	213.8%
L. Bonds issued	-	-	-	N/A
M. Other non-current financial liabilities	(38,151)	-	(38,151)	N/A
N. Non-current Indebteness (K) + (L) + (M)	**(117,433)**	**(25,262)**	**(92,171)**	**364.9%**
O. Net financial position (J) + (N)	**(43,665)**	**22,175**	**(65,840)**	**-296.9%**

As of June 30, 2018, the net financial position of the Group is negative for Euro 43,665 thousand, while as of December 31, 2017 the net financial position of the Group shows a positive cash balance. The deterioration of the net financial position is mainly attributable to the cash absorption for the acquisition of Agenzia Italia S.p.A., included the consolidation of the net financial position, negative for Euro 7,967 thousand, to the recognition of the estimated financial liability for the exercise of the put/call option for the residual participation of 50%, for an estimated amount of Euro 38,151 thousand, and to the payment of dividends, partially offset by the cash generated from the operating activities.

2.4.1. Current and non-current indebtedness

Current financial indebtedness amounts to Euro 21,362 thousand as of June 30, 2018 (Euro 30,052 thousand as of December 31, 2017) and is composed of the current portion of outstanding borrowings, of the interest payable on outstanding borrowings, and of the liabilities related to the short-term credit lines used by Agenzia Italia S.p.A..

Non-current indebtedness as of June 30, 2018 and December 31, 2017 is summarized in the following table:

(euro thousand)	As of June 30, 2018	As of December 31, 2017
Bank borrowings	79,282	25,262
1 - 5 years	*55,793*	*25,262*
More than 5 years	*23,489*	-
Other non-current financial liabilities	38,151	-
Estimated liability put/call option Agenzia Italia S.p.A.	*38,151*	-
Total long-term borrowings	**117,433**	**25,262**

It is worth pointing out that on January 30, 2018 the Issuer signed a loan agreement with Mediocredito Italiano S.p.A. for a total amount equal to Euro 50,000 thousand, paid in two tranches respectively on January 30, 2018 and February 28, 2018. The loan agreement provides quarterly reimbursements starting from March 31, 2019 until December 31, 2023, at a yearly fixed rate equal to 1.10% on the first tranche of Euro 30,000 thousand, and equal to 1.05% on the second tranche of Euro 20,000 thousand. Such loan was partially used for the early reimbursement of the previous loan with Mediocredito Italiano S.p.A., equal to Euro 25,000 thousand.

On June 28, 2018 the Issuer signed a new loan agreement with Crédit Agricole Cariparma S.p.A., for a maximum amount equal to Euro 20,000 thousand, that as of June 30, 2018 was disbursed for an amount of Euro 6,500 thousand. The residual amount was disbursed on July 4, 2018. The interest rate on this loan is equal to 3-month Euribor increased by a spread equal to 0.90%, and is subject to variation at each payment date based on the ratio between the Net Financial Indebtedness and EBITDA.

In addition, through the acquisition of Agenzia Italia S.p.A., the Group acquired various short and medium-term loans, with different interest rates and reimbursement schedules. The following table presents the detail of the loans acquired:

(Euro thousand)	Residual amount as of June 30, 2018	Expiration	Interest rate
BCC Iccrea e Banca di Verona	3,723	9/30/2021	*Euribor 3m + 2%*
BCC Verona	2,000	7/26/2018	*Fixed 1,10%*
Banca Popolare dell'Alto Adige	855	9/1/2022	*Euribor 6m + 1,60%*
BCC della Bassa Friulana	787	9/30/2021	*Euribor 6m + 2,50%*
Banca della Marca	755	6/26/2021	*Euribor 3m + 1,40%*
Credito Lombardo Veneto	727	1/31/2022	*Euribor 3m + 2,10%*
BCC Iccrea e Banca di Verona	640	9/30/2019	*Euribor 3m + 2,70%*
BCC delle Prealpi	618	9/3/2020	*Euribor 6m + 2,30%*
BCC Iccrea e Banca di Verona	517	11/15/2018	*Euribor 3m + 2,70%*
Banca Valsabbina	503	11/30/2019	*Euribor 3m + 0,90%*
Unicredit	500	12/31/2018	*Fixed 0,65%*
Banca Popolare di Cividale	422	2/29/2020	*Euribor 3m + 1,75%*
BCC delle Prealpi	284	10/6/2019	*Euribor 6m + 3,50%*
Intesa SanPaolo	90	12/31/2019	*Euribor 3m + 1,50%*
Total loans as of June 30, 2018	**12,421**		

We point out that the non-current portion of such loans is equal to Euro 5,814 thousand.

Moreover, the other non-current financial liabilities are consists in the estimated financial liability for the exercise of the put/call option for the residual 50% stake of Agenzia Italia S.p.A..

2.4.2. Capital resources, investments and description of the cash flows

The following table shows a summary of the consolidated statement of cash flows for the six months ended June 30, 2018 and 2017:

	Six months ended			
(euro thousand)	**June 30, 2018**	**June 30, 2017**	**Change**	**%**
A. Cash Flow from operating activities before changes in net working capital	29,176	19,576	9,600	49.0%
B. Changes in net working capital	(13,707)	(1,223)	(12,484)	-1,020.8%
C. Net cash generated by operating activities (A) + (B)	**15,469**	**18,353**	**(2,884)**	**-15.7%**
D. Net cash generated/(absorbed) by investing activities	**(20,242)**	**(1,894)**	**(18,348)**	**-968.7%**
E. Net cash generated/(absorbed) by financing activities	**13,001**	**8,373**	**4,628**	**55.3%**
Net increase/(decrease) in cash and cash equivalents (C) + (D) + (E)	**8,228**	**24,832**	**(16,604)**	**-66.9%**

In the six months ended June 30, 2018, the Group generated liquidity for Euro 8,228 thousand versus generated liquidity of Euro 24,832 thousand in the same period of 2017. This change is attributable to the growth of the cash absorbed by investing activities.

Cash flow generated by operating activities

Operating activities generated a cash flow of Euro 15,469 thousand in the six months ended June 30, 2018, while in the in the six months ended June 30, 2017 they generated a cash flow of Euro 18,353 thousand.

Such decrease is attributable to the increase of the cash flow absorbed by changes in net working capital, partially offset by the increase of cash generated by operations during the six months ended June 30, 2018. For the analysis of changes in net working capital please refer to note 2.4.3.

Cash flow absorbed by investment activities

Investing activities absorbed cash for Euro 20,242 thousand in the first half 2018 and Euro 1,894 thousand in the first half 2017. The change is mainly attributable to the cash paid for the acquisition of Agenzia Italia S.p.A., partially offset by the cash acquired. The cash absorption is due, for the remainder, to the investments made for the purchase of property, plant and equipment.

Cash flow generated by financial activities

Financial activities generated liquidity for Euro 13,001 thousand in the first half 2018 and Euro 8,373 thousand in the first half 2017.

The cash generation in the first half 2018 is due to the subscription of the loans from Mediocredito Italiano S.p.A. for an amount equal to Euro 50,000 thousand, and with Crédit Agricole Cariparma S.p.A., for an amount equal to Euro 6,500 thousand, partially offset by the payment of dividends for Euro 11,427 thousand, the purchases and disposals of own shares for a net amount equal to 1,104 thousand, the reimbursement of outstanding loans for an amount equal to Euro 6,551 thousand, and the early reimbursement of the bullet loan with Mediocredito Italiano S.p.A. for an amount equal to Euro 25,000 thousand.

The cash generation in the first half 2017 is due to the subscription of the bullet loan with Mediocredito Italiano S.p.A. for an amount equal to Euro 25,000 thousand, partially offset by the payment of dividends for Euro 12,242 thousand, the purchase of own shares for an amount equal to 1,809 thousand and the reimbursement of outstanding loans for an amount equal to Euro 2,479 thousand.

2.4.3. Changes in net working capital

The following table presents the breakdown of the component items of net working capital for the six months ended June 30, 2018 and December 31, 2017.

(euro thousand)	As of June 30, 2018	As of December 31, 2017	Change	NWC acquired whit Agenzia Italia S.p.A. as of April 1, 2018	Change net of NWC acquired	%
Trade receivables	77,642	45,523	32,119	25,705	6,414	14.1%
Contract work in progress	-	305	(305)	-	(305)	-100.0%
Other current assets and tax receivables	9,747	4,440	5,307	1,886	3,421	77.0%
Trade and other payables	(22,896)	(15,784)	(7,112)	(5,457)	(1,655)	10.5%
Tax payables	(1,012)	(889)	(123)	(714)	591	-66.5%
Other current liabilities	(20,931)	(20,854)	(77)	(5,318)	5,241	-25.1%
Net working capital	**42,550**	**12,741**	**29,809**	**16,102**	**13,707**	**107.6%**

Net working capital increases, absorbing liquidity for Euro 29,809 thousand, in the six months ended June 30, 2018. It is worth pointing out that such increase is strongly linked to the net working capital acquired with Agenzia Italia S.p.A. as of April 1, 2018, equal to Euro 16,102 thousand. Therefore, the increase of the period, net of the change in the consolidation area, is equal to Euro 13,707 thousand.

Such trend after deducting the net working capital acquired with Agenzia Italia S.p.A. is related in particular to the increase of trade receivables, due to growth of the revenues in the period, to the increase of the other current assets and tax receivables, due to the recognition of the receivable related to the reduced taxation regime of incomes deriving from the use of intangible assets by some companies of the Group (so called "*Patent Box*", for further details please refer to note 12), and to the decrease of other current liabilities, due to the payment of the earn out related to the acquisition of the participation in IN.SE.CO. S.r.l., offset by the increase of trade payables.

2.5. Report on foreseeable evolution

2.5.1. Evolution of the Italian residential mortgage market

The residential mortgage market is undergoing a progressive acceleration, switching from a contraction in the first quarter to an increasingly strong growth starting in the second quarter of 2018. The growth is mainly fueled by an increase of real estate transactions and related mortgages, combined with a temporary recovery of remortgages.

Data from Assofin, an industry association which represents the main lenders active in the sector, show, starting in the second quarter of 2018, a year on year increase of new residential mortgage flows, with a 6.9% growth in April, 5.9% in May, and 11.3% in June, contrasting with a 9.6% overall decline in the first quarter. Data from CRIF, a company which manages the main credit bureau in

Italy, report a 4.4% year on year drop of credit report inquiries for mortgages during first half of 2018; on a monthly basis, the decline ends in June 2018 with a 3.6% increase.

For the remaining part of this year, we expect a continuation of current trends: a growth of purchase mortgages and a stable or a temporary recovering remortgaging market. The main risk for such scenario is represented by the uncertainty about the evolution of financial markets, also in relation to the public finance decisions of the new government.

2.5.2. Broking Division

During the six months ended June 30, 2018, the Broking Division shows a good growth of revenues compared to the same period of the previous year, coupled with a strong improvement of operating income, primarily linked to the excellent performance of Mortgage Broking. Contrasting this general positive trend, we highlight a contraction of E-Commerce Price Comparison.

For the remaining part of the financial year, barring exceptional discontinuities, we expect current trends to continue, as detailed in the following paragraphs.

Mortgage Broking

In the first half of 2018, Mortgage Broking activity, after an initial drop in the first months, shows a progressive strong recovery, with a significant increase of both mortgage applications and brokered mortgages. The growth, which is likely to result in market share gain, is linked to both purchase mortgages and remortgages. Relative weight of remortgages on total brokered volumes is anyway lower in the first half of 2018, when compared to the first six months of 2017.

This strong performance is still ongoing and we expect a significant growth of intermediated volumes also in the second half of the year.

Consumer Loan Broking

The announced optimization of online marketing expenses led to a drop of volumes of brokered loans and associated revenues in a year on year comparison, combined with an increase of the operating margin of the Business Line. In addition, various initiatives are ongoing to widen the Consumer Loan Broking product range, in order to further improve the completeness and the attractiveness our offering to consumers.

For the rest of the year, we expect a continuation of the trends visible in the first half, which could be followed by a recovery of the growth, as a consequence of the market expansion and of the new initiatives launched.

Insurance Broking

The first half of 2018 has been characterized by a moderate growth in volumes of brokered contracts, as well as in broking revenues, with a progressive acceleration of the activity starting in the second quarter.

Based on business volume dynamic observed in recent months, we expect our growth to accelerate, potentially because of an initial reversal of the insurance cycle.

E-Commerce Price Comparison

The business continues to suffer because of the deterioration of organic traffic, therefore revenues and operating margin are down year on year.

In order to counter such effects, we continue to improve the service and the contents available to users on the website. During July 2018, a new television advertising campaign was launched, aimed at generating a greater demand directly linked to the Trovaprezzi.it brand.

For the second half of 2018, also as a consequence of the planned merketing investments, we anticipate a visible worsening of the operating margin attributable to the Business Line.

2.5.3. BPO Division

The revenues of the BPO Division are slightly up in the first half of the year, whereas the percentage operating margin drops, while remaining close to our long-term targets.

Revenue growth is, however, due only to the recent acquisition of Agenzia Italia S.p.A., while the Division turnover declined net of the change in the consolidation perimeter, as expected and announced by the management. This decrease is mainly due to the decline of remortgages, affecting the Mortgage BPO Business Line, and in particular the para-notarial activities, whose performance was significantly impacted in the second quarter.

The second part of the year will show a stabilization of the traditional part of the business, combined with the full contribution of the consolidation of Agenzia Italia.

Management remains positive on the medium term outlook for the Division, thanks also to two new agreements reached in the mortgage and CQ loan areas, which we expect to have impact in 2019, and which we detail further below.

Mortgage BPO

The performance of the Business Line shows a double digit revenues decrease, due to the decline of business volumes of some clients who were particularly performing in 2017, to the more and more significant decrease of para-notarial activities related to remortgages, and to the termination of the low-margin agreement with a client, which we had already disclosed in the second half of 2017.

The expected evolution for the rest of the year, and prospectively, for 2019, is however positive, thanks to a series of factors:

- agreement with Gruppo IntesaSanpaolo regarding the supply of mortgage underwriting and closing support services in relation to the distribution agreement that the bank signed with Poste Italiane S.p.A., currently in a pilot phase, and that will be effective starting from the winter months;

- increase in turnover generated by real estate valuations, thanks to a new agreement that will reach steady state volumes in the second half of the year;

- stabilization of business volumes of an historical client who has dealt, in the first half of the year, with some operating difficulties as a consequence of a post-merger integration process, reducing therefore new loan origination.

Management expects that the results of the business line for 2018, even if decreasing compared to the previous year, will be slightly higher than those of 2016.

CQ Loan BPO

The Business Line remains essentially stable, if compared to the first six months of 2017. We point out, however, an interesting growth opportunity linked to a new agreement regarding loan underwriting services with Gruppo Mediolanum, which recently entered in the secured loans market through the acquisition of EuroCQS S.p.A., and that aims at becoming a leader in this segment. The agreement also represents the first significant cooperation of our Division with Gruppo Mediolanum, a particularly innovative banking group. Also in this case, we expect that the revenues from the additional volumes will be visible starting from the next financial year.

Insurance BPO

As foreseen, the Business Line is growing, both in claim settlement outsourcing services, and in the credit collection services. We observe in the market two trends that in the medium-term could benefit the Business Line. On one side, we see increasing demand, from insurance companies, of the claims management, in the non-motor field, of the so called "*risarcimento in forma specifica*", namely through the direct repairing of the damage, rather than the monetary reimbursement to the insured subject: this allows the outsourcing to our Group of a process with higher added value. On the other side, several insurance companies are launching processes to concentrate loss adjustment services on a limited number of suppliers, offering opportunities to the most structured operators to increase volumes.

Asset Management BPO

The Business Line continues to grow organically, also through the acquisition of new clients, even if there is still a significant concentration of revenues with the main client. In the last months of the year, we expect a strengthening of the growth trend.

Leasing/Rent BPO

The Business Line, constituted by Agenzia Italia S.p.A., was consolidated in the Division results only in the second quarter of the year, and it was not included in 2017. Management expects that in the second half of the current year, the results of Agenzia Italia S.p.A. could be in line with those achieved in the first part of the year, and therefore up by over 10% if compared to the same period of 2017.

2.6 Other information

As required by the provisions of Article 70, Section 8, of the Issuers' Regulation, the Group adopted the "opt out" system provided under Article 70, Section 8, and Article 71, Section 1-bis, of the Issuers' Regulation, thereby availing itself of the exemption from the obligation to publish the information documents required in connection with material transactions involving mergers, demergers, capital increases through conveyances of assets in kind, acquisition and divestments.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE SIX MONTHS ENDED JUNE 30, 2018

Prepared according to IAS/IFRS

3. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE SIX MONTHS ENDED JUNE 30, 2018

3.1. Consolidated statement of financial position as of June 30, 2018 and December 31, 2017

(euro thousand)	Note	As of June 30, 2018	As of December 31, 2017
ASSETS			
Intangible assets	7	99,684	49,611
Property, plant and equipment	7	15,970	14,683
Associates measured with equity method	8	2,276	1,986
Non-current financial assets held to maturity	9	3,606	-
Deferred tax assets		-	1,676
Other non-current assets		601	603
(of which) with related parties		*190*	*190*
Total non-current assets		**122,137**	**68,559**
Cash and cash equivalents	10	89,332	76,569
Current financial assets held to maturity		880	920
Trade receivables	11	77,642	45,523
(of which) with related parties		*14*	*26*
Contract work in progress		-	305
Tax receivables	12	5,330	805
Other current assets	13	4,417	3,635
(of which) with related parties		*1,322*	*7*
Total current assets		**177,601**	**127,757**
TOTAL ASSETS		**299,738**	**196,316**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	23, 24	962	957
Other reserves	23, 24, 25	67,378	53,165
Net income		15,890	25,920
Total equity attributable to the shareholders of the Issuer		**84,230**	**80,042**
Minority interest		9,055	8,350
Total shareholders' equity		**93,285**	**88,392**
Long-term debts and other financial liabilities	14	117,433	25,262
Provisions for risks and charges	15	1,436	1,467
Defined benefit program liabilities	16	12,603	11,170
Deferred tax liabilities	17	6,358	-
Other deferred liabilities	18	2,422	2,446
Total non-current liabilities		**140,252**	**40,345**
Short-term debts and other financial liabilities	19	21,362	30,052
Trade and other payables	20	22,896	15,784
(of which) with related parties		*522*	*25*
Tax payables	21	1,012	889
Other current liabilities	22	20,931	20,854
Total current liabilities		**66,201**	**67,579**
TOTAL LIABILITIES		**206,453**	**107,924**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**299,738**	**196,316**

3.2. Consolidated statement of income for the six months ended June 30, 2018 and 2017

(euro thousand)	Note	Six months ended June 30, 2018	June 30, 2017
Revenues	26	85,408	78,665
(of which) with related parties		*17*	*10*
Other income	27	1,581	1,185
(of which) with related parties		*4*	-
Capitalization of internal costs	7	548	513
Services costs	28	(30,889)	(28,779)
(of which) with related parties		*(533)*	*(47)*
Personnel costs	29	(27,564)	(25,096)
Other operating costs	30	(2,802)	(2,565)
(of which) with related parties		*(3)*	-
Depreciation and amortization	31	(3,117)	(3,497)
Operating income		**23,165**	**20,426**
Financial income		103	84
(of which) with related parties		*14*	-
Financial expenses	32	(861)	(475)
Income/(Losses) from investments	8	(54)	4
Income/(Expenses) from financial assets/liabilities	32	(820)	(24)
Net income before income tax expense		**21,533**	**20,015**
Income tax expense	33	(4,938)	(6,070)
Net income		**16,595**	**13,945**
Attributable to:			
Shareholders of the Issuer		**15,890**	**13,599**
Minority interest		**705**	**346**
Earnings per share basic *(Euro)*	34	0.42	0.36
Earnings per share diluted *(Euro)*	34	0.41	0.34

3.3. Consolidated statement of comprehensive income for the six months ended June 30, 2018 and 2017

(euro thousand)	Note	Six months ended June 30, 2018	June 30, 2017
Net income		**16,595**	**13,945**
Other comprehensive income reclassified in subsequent periods in the net of the period			
Currency translation differences		(11)	(8)
Total other comprehensive income reclassified net of tax effect		**(11)**	**(8)**
Other comprehensive income not reclassified in subsequent periods in the net of the period			
Actuarial gain/(losses) on defined benefit program liability		-	-
Tax effect on actuarial gain/(losses)		-	-
Total other comprehensive income not reclassified net of tax effect		**-**	**-**
Total other comprehensive income		**(11)**	**(8)**
Total comprehensive net income for the period		**16,584**	**13,937**
Attributable to:			
Shareholders of the Issuer		**15,879**	**13,591**
Minority interest		**705**	**346**

3.4. Consolidated statement of cash flows for the six months ended June 30, 2018 and 2017

(euro thousand)	Note	Six months ended June 30, 2018	Six months ended June 30, 2017
Net income		**16,595**	**13,945**
Amortization and depreciation	7, 31	3,117	3,497
Stock option expenses	25	327	275
Capitalization of internal costs	7	(548)	(513)
Interest cashed		-	-
Changes of the value of the participation evaluated with the equity method	8	54	(4)
Dividend cashed by participation evaluated with the equity method		-	160
Income tax paid		(167)	(3,496)
Changes in contract work in progress		305	28
Changes in trade receivables/payables		(4,759)	(4,699)
Changes in other assets/liabilities		(313)	7,918
Changes in defined benefit program		889	828
Changes in provisions for risks and charges		(31)	414
Net cash generated/(absorbed) by operating activities		**15,469**	**18,353**
Investments:			
- Increase of intangible assets	7	(287)	(100)
- Increase of property, plant and equipment	7	(1,668)	(1,559)
- Acquisition of subsidiaries	6	(18,555)	-
- Increase of participations		-	-
- Acquisition of participation evaluated with the equity mothod	8	(49)	-
Disposals:			
- Reimbursement/sale of securities		317	(235)
Net cash generated/(absorbed) by investing activities		**(20,242)**	**(1,894)**
Interest paid		(342)	(164)
Increase of financial liabilities	14	56,932	25,194
Decrease of financial liabilities	14	(31,551)	(2,480)
Increase of share capital	23	493	-
Purchase (sale) of own shares	24	(1,104)	(1,809)
Dividends paid to minorities		-	(1,126)
Dividends paid	23	(11,427)	(11,242)
Net cash generated/(absorbed) by financing activities		**13,001**	**8,373**
Net increase/(decrease) in cash and cash equivalents		**8,228**	**24,832**
Net cash and cash equivalent at the beginning of the period		76,566	42,227
Net cash and cash equivalents at the end of the period		**84,794**	**67,059**
Cash and cash equivalents at the beginning of the period	10	76,569	42,231
Current account overdraft at the beginning of the period		(3)	(4)
Net cash and cash equivalents at the beginning of the period		**76,566**	**42,227**
Net cash and cash equivalents at the end of the period	10	89,332	67,060
Current account overdraft at the end of the period		(4,538)	(1)
Net cash and cash equivalents at the end of the period		**84,794**	**67,059**

3.5. Consolidated statement of changes in equity as of and for the six months ended June 30, 2018 and 2017

(euro thousand)	Share capital	Legal reserve	Other reserves	Retained earnings including net income of the year	Group total	Minority interest	Total
Total Equity as of January 1, 2017	**954**	**200**	**7,519**	**58,061**	**66,734**	**7,874**	**74,608**
Distribution of ordinary dividends	-	-	-	(11,242)	**(11,242)**	-	**(11,242)**
Purchase of own shares	(5)	-	(1,804)	-	**(1,809)**	-	**(1,809)**
Stock option plan	-	-	275	-	**275**	-	**275**
Other movements	-	-	11	-	**11**	(1,126)	**(1,115)**
Net income of the year	-	-	(8)	13,599	**13,591**	346	**13,937**
Total Equity as of June 30, 2017	**949**	**200**	**5,993**	**60,418**	**67,560**	**7,094**	**74,654**
Total Equity as of January 1, 2018	**957**	**200**	**11,239**	**67,646**	**80,042**	**8,350**	**88,392**
Distribution of ordinary dividends	-	2	-	(11,427)	**(11,425)**	-	**(11,425)**
IFRS 15 effects on equity	-	-	-	19	**19**	-	**19**
Increase of share capital	2	-	491	-	**493**	-	**493**
Purchase of own shares	(8)	-	(4,234)	-	**(4,242)**	-	**(4,242)**
Disposal of own shares	3	-	702	-	**705**	-	**705**
Exercise of stock options	8	-	2,428	-	**2,436**	-	**2,436**
Stock option plan	-	-	327	-	**327**	-	**327**
Other movements	-	-	(4)	-	**(4)**	-	**(4)**
Net income of the year	-	-	(11)	15,890	**15,879**	705	**16,584**
Total Equity as of June 30, 2018	**962**	**202**	**10,938**	**72,128**	**84,230**	**9,055**	**93,285**
Note	23	23	24, 25				

3.6. Explanatory notes

1. ***General information***

The Group operates as a broker and/or promoter of different retail credit products (mortgages, personal loans, etc.), insurance products (policies for cars, motorcycles, etc.) and financial products provided by banks, financial intermediaries and insurance companies mainly using remote channels and promotes through the Internet the services of e-commerce operators and utility companies ("**Broking**"), and operates as a provider of complex outsourcing services in the areas of credit, claims processing, asset management and leasing/rent, for the benefit of financial institutions and companies owning fleet of vehicles (Business Process Outsourcing or "**BPO**").

The group holding company is Gruppo MutuiOnline S.p.A. (the "**Company**" or the "**Issuer**"), a company with registered office in Via F. Casati 1/A, Milan.

This consolidated interim financial report has been prepared in Euro, the currency of the primary economic environment in which the Group operates.

All the amounts included in the tables of the following notes are in thousands of Euro, except where otherwise stated.

We remind the shares are listed on the STAR Segment of the Mercato Telematico Azionario (MTA), the Italian trading system organized and managed by the Italian Stock Exchange.

2. ***Basis of preparation of the interim consolidated financial report***

This consolidated first half report refers to the period from January 1, 2018 to June 30, 2018 and has been prepared in accordance with IAS 34 concerning interim financial reporting. IAS 34 requires a significantly lower amount of information to be included in interim financial statements than what is required by IFRS for annual financial statements, given that the entity has prepared consolidated financial statements compliant with IFRS for the previous financial year. This interim consolidated financial report is prepared in condensed form and provides the disclosure requirements as per IAS 34 and should be read in conjunction with the consolidated financial statements as of and for the year ended December 31, 2017.

This consolidated first half report is subject to a limited review by the external auditors.

The accounting policies have been consistently applied to all the periods presented.

The results of operations, the statements of changes in shareholders' equity and the statement of cash flows for the six months ended June 30, 2018 are presented together with the comparative information for the six months ended June 30, 2017. The balance sheet data as of June 30, 2018 is presented together with the comparative data as of December 31, 2017.

This half year report for the six months ended June 30, 2018 has been prepared with the assumption of business continuity and contains the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in shareholders' equity and the explanatory notes.

The accounting policies used for this consolidated interim financial information are consistent with those used in the preparation of the consolidated financial statements as of and for the year ended December 31, 2017. Please refer to such document for a description of those policies.

The accounting of income taxes is based on the best estimate of the expected tax rate for the entire financial year.

As regards accounting estimates and judgments please refer to the annual report as of and for the year ended December 31, 2017.

In addition to what is described in the consolidated financial statement as of and for the year ended December 31, 2017 regarding business combinations, the Group, based on shareholders' agreements related to the acquisition of Agenzia Italia S.p.A., considers applicable IAS 32 rather than IFRS 10, and in any case it decided to give precedence to IAS 32 over IFRS 10, by recognizing in the consolidated financial statement the financial liability related to the put/call option over the shares not yet purchased, without recognizing non-controlling interest. According to such approach, the business combination is accounted on the basis of the assumption that the Group could get economic benefits also on shares under the put/call option. No non-controlling interest is recognized when the acquirer determines the goodwill to recognize following the acquisition.

New accounting standards

As pointed out in the annual report as of December 31, 2017, the following accounting principles are effective from January 1, 2018:

- IFRS 15 "Revenue from contracts with customers";
- IFRS 9 "Financial instruments".

IFRS 15 provides the recognition of revenues for an amount that reflects the compensation at which the entity believes to be entitled in the economic transaction with the customer for the transfer of products and services. The new standard requires higher level of assessment and choices by the management to establish their own policy of revenue recognition.

The new standard introduces a five-step method to analyze the transactions and define the timing and the amount of revenue recognition.

Here we list the main contractual situations where we noticed elements of discontinuity compared to the previous accounting method:

- Agreements which provide for document collection related to outsourcing in Asset Management BPO. The principle provides for the evaluation of revenues according to their stand-alone selling price: when the unit value of each job is decreasing during the duration of the agreement, without any justification deriving from learning economies and with the same value of the service provided, the Group considered appropriate to proceed with a linearization of the unit value of the revenue associated to each individual file.

- Agreements which provide for post-signing document collection related to outsourcing in Mortgage BPO, with consideration subject to the effective closing of the loan. The principle provides for the recognition of revenues according to the satisfaction of the contractual obligations. As the client benefits from the single phases/activities effectively accomplished, the Group considers the obligation satisfied over time and, subsequently, proceeded to value the phases as they are effectively completed, according to their contractual value and to the probabilities of success of the applications.

- With reference to the recent agreements, regarding the provision of administrative credit collection services on behalf of insurance companies, we point out that the new standard requires to take into consideration, for the determination of the total compensation of the contract, both the possible implicit financial impact in transactions where the timing of payments agreed by the parties gives the customer a financial benefit, and the probability of cashing these receivables, on which the fees due to the company are established.

Moreover, with the adoption of IFRS 15, the Group has opted for the application of the "Cumulative Effect Method", according to which the cumulated effects from the application of the new standard are booked as adjustments to the opening balance of shareholders' equity. The comparison figures are not restated while the figures for this reporting period are shown applying IFRS 15.

The effects deriving from the adoption of the standard to the opening balance of shareholders' equity are shown below:

(Euro thousand)	Asset Management BPO - Linearization of selling price	Mortgage BPO - Revenues according to the satisfaction of the contractual obligations	Total
Trade receivables	(344)	692	348
Contract work in progress	-	(305)	(305)
Deferred tax assets	96	-	96
Deferred tax liabilities	-	(120)	(120)
Retained earnings	248	(267)	(19)

IFRS 9 brings together all the three aspects of the accounting of financial instruments: classification and measurement, impairment and hedge accounting. The Group, by adopting the new standard on the required effective date (January 1, 2018), has not restated comparative disclosure.

The main areas of intervention on the discipline operated by the standard are described below.

Classification and measurement of the financial assets and liabilities

The impacts deriving from the application of the classification and measurement requirements of IFRS 9 are not significant for the Group. In particular the Group does not own at present any financial liability measured at FVTPL due to the adoption of the so called fair value option. Concerning financial assets, the new standard provides that the classification of the assets depends on the characteristics of the financial flows linked to such assets and to the business model used by the Group for their management. The Group at present does not own nor managed during the financial year any financial asset, such as debt securities, with sale purpose nor in absolute terms, except for the financial instruments managed as part of the core business of the company Centro Finanziamenti S.p.A. and for the financial instruments acquired following the change in the consolidation area occurred in the period. In addition, the Group does not own participations as investments which could be included under IFRS 9 or derivatives, even embedded ones. Trade receivables are held to be cashed at the contractual maturities of the cash flows related to them in capital and interest, where applicable. The Group assessed the characteristics of the contractual cash flows of these instruments and concluded that they respect the criteria for the measurement at amortized cost according to IFRS 9. Therefore it was not necessary to reclassify these financial instruments. We can reach the same conclusions for the items recorded as cash and cash equivalents.

Impairment

IFRS 9 requires the Group to record expected credit losses on all its debt securities, loans and trade receivables, either over a 12 month period or on a lifetime basis (e.g. lifetime expected loss). The Group opted for the simplified approach and therefore records the expected losses on every trade receivable based on their residual contractual duration. The Group however continues to analytically consider the specificity of the sector and of some clients in its assessments.

Hedge accounting

If the Group should decide in the future to make hedging operations by means of derivatives and to implement hedge accounting, it will adopt IFRS9 rules. Given that IFRS 9 does not modify the general principle according to which an entity accounts for the effective hedging instruments, the main changes compared to the previous regulation IAS 39 are the following: - the hedge effectiveness test is only perspective and can also be based on qualitative aspects, replacing the previous 80-125% test and focusing on the economic relationship between hedge and hedged element; - the possibility to designate as subject to hedging only a component of risk also for non-financial elements (provided that the risk component can be separately identifiable and reliably estimated); - introduction of the cost of hedging concept; – greater possibility to designate groups of elements as subject to hedging, including stratifications and some net positions. Without hedge accounting, the changes in the fair value of derivatives will continue to be recorded in the income statement.

Relying on the above arguments, the adoption of IFRS 9 did not have any impact impacts for the Group.

In addition, we point out that the following standards, amendments and interpretations, applicable from January 1, 2018, are not relevant or they did not involve effects for the Group:

- amendments to IFRS 4: Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts";
- IFRIC Interpretation 22 "Foreign Currency Transactions and Advance Consideration";
- amendments to IAS 40 "Transfers of Investment Property";
- amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions";
- amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards: Deletion of short-term exemptions for first-time adopters;
- amendments to IAS 28 "Investments in Associates and Joint Ventures": Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice;

As pointed out in the consolidated financial report as of December 31, 2017, among the standards issued by IASB, but not yet effective for the preparation of the present report, we highlight IFRS 16 "Leases", that will be effective starting from January 1, 2019.

IFRS 16 sets out the principles for the recognition, measurement, presentation and the disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease (i.e. the right of use asset). Lessees will be required to separately recognize the interest expenses on the lease liability and the depreciation expense on the right of use asset.

Lessees will be also required to re-measure the lease liability on the occurrence of certain events (e.g. a change in the lease term, a change in the future lease payments resulting from a change in an index or rate used to establish those payments). The lessee will generally recognize the re-measurement amount of the lease liability as an adjustment to the right of use of the asset.

The standard includes two recognition exemptions for lessees:

- leases of low value assets (a situation that could arise for the Group with reference to operating leases for office equipment such as photocopiers, currently recognized in the balance sheet under the item "Other operating costs");

- short-term leasing contracts (e.g. leases with a lease term of 12 months or less).

Positions that could be affected by the application of IFRS 16 and for which we presently expect that there could be, in principle, a significant effect are linked to:

- leasing contracts for the main office site (Milan);

- leasing contracts for secondary office sites in Italy (Faenza, Genoa and Conegliano) and abroad (Arad, Romania);

- cars under long-term rental contracts used by employees of the Group.

These rents, in the financial reporting as of June 30, 2018 are recorded in the income statement of the Group among "Services costs" for a total amount of Euro 848 thousand and Euro 110 thousand respectively for offices leases and for car rentals.

The Group will continue to assess the potential effect of IFRS 16 on its own consolidated financial report taking into account also the possible changes that will occur in the contractual positions as of the date of this financial report as well as the hypotheses of early adoption and the simplifications provided by the standard.

Consolidation area

The following table lists the subsidiaries and associated companies included in this interim consolidated report.

Name	Registered office	Share capital (Euro)	Consolidation method	% of ownership
7Pixel S.r.l.	Milan (Italy)	10,500	Line-by-line	51%
Agenzia Italia S.p.A.	Conegliano (Italy)	100,000	Line-by-line	50%
Centro Finanziamenti S.p.A.	Milan (Italy)	2,000,000	Line-by-line	100%
Centro Istruttorie S.p.A.	Milan (Italy)	500,000	Line-by-line	100%
Centro Processi Assicurativi S.r.l.	Milan (Italy)	50,000	Line-by-line	100%
Centro Servizi Asset Mangement S.r.l.	Milan (Italy)	10,000	Line-by-line	100%
CercAssicurazioni.it S.r.l.	Milan (Italy)	100,000	Line-by-line	100%
Effelle Ricerche S.r.l.	Milan (Italy)	10,000	Line-by-line	100%
EuroServizi per i Notai S.r.l.	Milan (Italy)	10,000	Line-by-line	60%
Finprom S.r.l.	Arad (Romania)	9,618	Line-by-line	100%
Innovazione Finanziaria SIM S.p.A.	Milan (Italy)	2,000,000	Line-by-line	100%
IN.SE.CO. International Service Consulting S.r.l.	Milan (Italy)	10,400	Line-by-line	100%
Klikkapromo S.r.l.	Milan (Italy)	10,000	Line-by-line	100%
Mikono S.r.l.	Milan (Italy)	10,000	Line-by-line	51%
MOL BPO S.r.l.	Milan (Italy)	10,000	Line-by-line	100%
Money360.it S.p.A.	Milan (Italy)	120,000	Line-by-line	100%
MutuiOnline S.p.A.	Milan (Italy)	1,000,000	Line-by-line	100%
PP&E S.r.l.	Milan (Italy)	100,000	Line-by-line	100%
PrestitiOnline S.p.A.	Milan (Italy)	200,000	Line-by-line	100%
Quinservizi S.p.A.	Milan (Italy)	150,000	Line-by-line	100%
Segugio Servizi S.r.l.	Milan (Italy)	10,000	Line-by-line	100%
Segugio.it S.r.l.	Milan (Italy)	10,000	Line-by-line	100%
ShoppyDoo S.L.U.**	Madrid (Spain)	3,500	Line-by-line	100%
65Plus S.r.l.	Milan (Italy)	75,416	Equity method	31%
Generale Fiduciaria S.p.A.	Milan (Italy)	200,000	Equity method	10%
Generale Servizi Amministrativi S.r.l.	Milan (Italy)	100,000	Equity method	50%
Fin.it S.r.l.*	Conegliano (Italy)	26,000	Equity method	70%
PrestiPro S.r.l.	Milan (Italy)	120,000	Equity method	50%
Zoorate S.r.l.**	Milan (Italy)	415,654	Equity method	40%

** Indirectly owned through Agenzia Italia S.p.A.;the percentage in the table corresponds to the stake held by Agenzia Italia S.p.A.*
*** Indirectly owned through 7Pixel S.r.l.; the percentage in the table corresponds to the stake held by 7Pixel S.r.l..*

For the calculation of the equivalent value in Euro of the financial amounts in foreign currency of the Rumanian subsidiary Finprom S.r.l. we apply the following exchange rates:

RON/Euro	As of June 30, 2018	As of June 30, 2017
Balance sheet items	4.663	4.552
Income statement items	4.654	4.530

3. *Risk Management*

Group risk management is based on the principle that operating risk or financial risk is managed by the manager in charge of the business process involved.

The main risks are reported and discussed at Group top management level in order to create the conditions for their coverage, assurance and assessment of residual risk.

Exchange and interest rate risk

Currently the financial risk management policies of the companies of the Group do not provide for the use of derivative instruments to mitigate interest rate risk since, as of today, the risk of incurring higher interest costs following unfavorable changes in market interest rates, as better analyzed afterwards, is of moderate amount when compared to the economic and financial parameters of the Group and is considered acceptable when compared to the costs that should be incurred to reduce or eliminate such risk.

The interest rate on the bank loan from Banca Popolare di Milano S.c.a.r.l. and Cariparma S.p.A., obtained during the first half 2015, is equal to 6-month Euribor increased by 1.75% and is subject to changes for the duration of the contract based on the ratio between Net Financial Indebtedness, as described in the following paragraph 14, and EBITDA.

The interest rate on the bank loan with Crédit Agricole Cariparma S.p.A., signed on June 28, 2018, is equal to 3-month Euribor increased by 0.90%, and it is subject to a change during the length of the contract based on the change of the ratio between Net Financial Indebtedness and EBITDA.

In addition, through the acquisition of Agenzia Italia S.p.A., the Group acquired various short and middle-term loans, with different interest rates and reimbursement plans. The following table presents the detail of the loans acquired:

(Euro thousand)	**Residual amount as of June 30, 2018**	**Expiration**	**Interest rate**
BCC Iccrea e Banca di Verona	3,723	9/30/2021	*Euribor 3m + 2%*
BCC Verona	2,000	7/26/2018	*Fixed 1,10%*
Banca Popolare dell'Alto Adige	855	9/1/2022	*Euribor 6m + 1,60%*
BCC della Bassa Friulana	787	9/30/2021	*Euribor 6m + 2,50%*
Banca della Marca	755	6/26/2021	*Euribor 3m + 1,40%*
Credito Lombardo Veneto	727	1/31/2022	*Euribor 3m + 2,10%*
BCC Iccrea e Banca di Verona	640	9/30/2019	*Euribor 3m + 2,70%*
BCC delle Prealpi	618	9/3/2020	*Euribor 6m + 2,30%*
BCC Iccrea e Banca di Verona	517	11/15/2018	*Euribor 3m + 2,70%*
Banca Valsabbina	503	11/30/2019	*Euribor 3m + 0,90%*
Unicredit	500	12/31/2018	*Fixed 0,65%*
Banca Popolare di Cividale	422	2/29/2020	*Euribor 3m + 1,75%*
BCC delle Prealpi	284	10/6/2019	*Euribor 6m + 3,50%*
Intesa SanPaolo	90	12/31/2019	*Euribor 3m + 1,50%*
Total loans as of June 30, 2018	**12,421**		

The bank loan with Mediocredito Italiano S.p.A., signed during the current financial year, is instead at fixed rate equal to 1.10% on the first tranche of Euro 30,000 thousand, and equal to 1.05% on the second tranche of Euro 20,000 thousand.

A possible unfavorable variation of the reference interest rates, equal to 1%, should produce an additional expense equal to Euro 72 thousand in the second half of 2018.

It is also worth pointing out that the Group pursues a policy for the management of available liquidity by investing it in bank deposits or other low-risk financial assets with a maturity date of less than twelve months. The investment strategy is to hold such securities to maturity.

As regards to the coverage of exchange rate risk, it is worth pointing out that as of the reference date of this report, there are no significant assets or liabilities denominated in currencies different from the Euro and such risk is therefore not present.

Credit risk

The current assets of the Group, with the exception of cash and cash equivalents, are mainly composed by trade receivables for an amount of Euro 77,642 thousand, of which the overdue portion as of June 30, 2018 is equal to Euro 24,983 thousand, of which Euro 2,895 thousand is overdue for over 90 days.

Most of the gross overdue receivables were paid by clients during July and August 2018. As of the date of approval of this report, receivables not yet collected, overdue as of June 30, 2018, amount to Euro 7,302 thousand, of which Euro 1,858 thousand refers to receivables already overdue for over 90 days as of June 30, 2018.

These trade receivables are mainly from banks and other financial institutions, insurance companies and leasing/rental companies, considered highly creditworthy however, against receivables for which credit risk is possible, we consider appropriate an allowance for doubtful receivables equal to Euro 2,678 thousand.

It is worth pointing out that following the diversification of activities of the Group, the concentration of revenues, and consequently of trade receivables, with any single client has been significantly reduced.

Liquidity risk

Liquidity risk arises when a company is not able to obtain the necessary financial resources to support short term operations.

In order to mitigate the liquidity risk, the majority of the Group's indebtedness is at a medium-long term.

The current net financial position, with an amount equal to Euro 73,768 thousand, guarantees sufficient financial resources to support Group's operations in the short term and is such that we do not envisage any significant liquidity risk for the Group.

Operating risk and going concern

The technological component is an essential element for the operating activities of the Group; therefore, there is the risk that the possible malfunctioning of the technological infrastructure may cause an interruption of the client service or loss of data. However, the companies of the Group have developed a series of plans, procedures and tools to guarantee business continuity and data security.

Considering the current economic and financial situation, in particular the available reserves, and taking into account the trend of the net working capital and of the economic and financial situation, the consolidated financial report has been prepared with a perspective of business continuity.

4. *Fair value of assets and liabilities valued with the amortized cost method*

The book value of the following assets and liabilities stated at amortized cost approximates their fair value:

- financial assets held to maturity;
- trade receivables;
- other current assets;
- trade and other payables;
- borrowings;
- other current liabilities.

The liabilities related to the put and call options for the purchase of the remaining stake of Agenzia Italia S.p.A. and Mikono S.r.l. and for the purchase of the majority stake in Zoorate S.r.l. are valued at fair value (category 3). The relevant amounts, as of the date of this interim report, are respectively equal to Euro 38,151 thousand, Euro 881 thousand and Euro 1,532 thousand and are recorded among "Long-term debts and other financial liabilities", "Other current liabilities" and "Other non-current liabilities".

The method for the assessment at fair value of these liabilities is based on the income approach.

5. *Segment information*

The segment reporting adopted by the Issuer's Executive Committee is by business segments, where the two business segments identified are the Broking and BPO Divisions.

Revenues by Division

	Six months ended	
(euro thousand)	**June 30, 2018**	**June 30, 2017**
Broking Division revenues	37,191	34,114
BPO Division revenues	48,217	44,551
Total revenues	**85,408**	**78,665**

Operating income by Division

	Six months ended	
(euro thousand)	**June 30, 2018**	**June 30, 2017**
Broking Division operating income	12,121	8,759
BPO Division operating income	11,043	11,667
Total operating income	**23,164**	**20,426**
Financial income	103	84
Financial expenses	(861)	(475)
Income/(losses) from investments	(54)	4
Income/(Expenses) from financial assets/liabilities	(820)	(24)
Net income before income tax expense	**21,532**	**20,015**

The allocation of the costs of the Issuer and of PP&E S.r.l., not directly attributable to a specific Division, is based on the headcount of the Italian subsidiaries of the Group at the end of the period.

Assets by Division

The allocation of property, plant and equipment shared by both Divisions is based on space occupied.

(euro thousand)	As of June 30, 2018	As of December 31, 2017
Broking Division assets	71,446	66,656
BPO Division assets	131,730	47,785
Not allocated	7,230	5,306
Cash and cash equivalents	89,332	76,569
Total assets	**299,738**	**196,316**

Liabilities by Division

(euro thousand)	As of June 30, 2018	As of December 31, 2017
Broking Division liabilities	26,287	29,457
BPO Division liabilities	81,320	47,251
Not allocated	98,846	31,216
Total liabilities	**206,453**	**107,924**

6. *Business combinations*

Acquisition of Agenzia Italia S.p.A.

On March 22, 2018 the Issuer incorporated MOL BPO S.r.l., subscribing the whole share capital of the company for an amount equal to Euro 10 thousand.

On April 16, 2018, the Issuer, by means of subsidiary MOL BPO S.r.l., purchased from Finanziaria Internazionale group, a participation of 50% of the share capital of Agenzia Italia S.p.A., a leader in the administrative services market for the leasing and long-term rental companies. The total consideration paid was equal to Euro 25,000 thousand.

The acquisition agreement provides governance rights allowing a full consolidation of the company in the Group results.

The remaining 50% held by Finanziaria Internazionale is subject to reciprocal put/call options, whose exercise is linked to the potential occurrence of specific agreed events, within five years from the closing. Currently a liability has been recognized for the exercise of the put/call option for the residual participation of 50%, for an amount equal to Euro 38,151 thousand.

Cash and cash equivalents of Agenzia Italia S.p.A. at the moment of purchase are equal to Euro 6,445 thousand.

The initial allocation of the purchase cost relative to the business combination has not been completed as of the date of approval of the annual report, as we have decided to take advantage of the option provided by paragraph 45 of IFRS 3 which allows the provisional allocation of the purchase cost. The reasons for this decision are linked to the fact that we are still acquiring the required information to define the fair value of the assets, the liabilities and the potential liabilities of the acquired entity. Such allocation will be completed as soon as we have sufficient information to define the fair value of the assets, the liabilities and the potential liabilities of the acquired entity and in any case within one year of the acquisition date.

As the consolidation of Agenzia Italia S.p.A., according to IAS 32, has been accounted under the assumption of the full acquisition of economic interests of the participation, where no minority interest has been recognized, in the calculation of provisional goodwill, we have also taken into consideration the estimated liability for the exercise of the put/call option on the residual 50% stake, equal to Euro 38,151 thousand. Please refer to note 3.6.2 for a more detailed description of the accounting standards adopted for the recognition of the estimated liability and the goodwill.

Therefore we have determined a provisional goodwill, as reported below, equal to Euro 51,131 thousand which has been allocated to Agenzia Italia S.p.A., considered a cash generating unit ("CGU").

The following table presents the book value of the assets and the liabilities of the purchased business at the acquisition date, and the calculation of provisional goodwill:

Cash and cash equivalent	6,445
Non-current assets (escluding goodwill)	1,538
Current assets	31,483
Non-current liabilities	(6,358)
Current liabilities	(21,088)
Fair value of net purchased assets	**12,020**
Price paid (A)	25,000
Difference between price paid and fair value of net purchased assets	**12,980**
Estimated liability for put/call option	38,151
Goodwill	**51,131**
Cash of the entity at the date of the acquisition (B)	6,445
Net cash flow absorbed by the acquisition (A-B)	**18,555**

The costs for the acquisition of Agenzia Italia S.p.A. are equal to euro 150 thousand and are recorded in the income statement among the "Service costs".

It is worth pointing out that the revenues generated by Agenzia Italia S.p.A., entered into the scope of consolidation starting from the second quarter of the year, are equal to Euro 7,563 thousand in the six months ended June 30, 2018.

Agenzia Italia S.p.A. is the core of the new Leasing/Rental BPO Business Line, which belongs to the BPO Division.

NOTES TO THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NON-CURRENT ASSETS

7. *Intangible assets and property, plant and equipment*

The following table presents the variation of the intangible assets and of property, plant and equipment, in the six months ended June 30, 2018 and 2017.

(euro thousand)	**Intangible assets**	**Property, plant and equipment**	**Total**
Total as of January 1, 2017	**53,874**	**13,412**	**67,286**
Increases	613	1,559	2,172
Other movements	-	-	-
Depreciation and amortization	(2,719)	(778)	(3,497)
Total as of June 30, 2017	**51,768**	**14,193**	**65,961**
Total as of January 1, 2018	**49,611**	**14,683**	**64,294**
Increases	835	1,668	2,503
Other movements	51,421	553	51,974
Depreciation and amortization	(2,183)	(934)	(3,117)
Total as of June 30, 2018	**99,684**	**15,970**	**115,654**

Intangible assets

The following table presents the details of intangible assets as of June 30, 2018 and December 31, 2017:

(euro thousand)	**As of June 30, 2018**	**As of December 31, 2017**
Development costs	1,291	1,481
Licenses and other rights	4,201	5,070
Goodwill	94,192	43,060
Total intangible assets	**99,684**	**49,611**

As of June 30, 2018, the net book value of intangible assets amounts to Euro 99,684 thousand (Euro 49,611 thousand as of December 31, 2017). The additions to intangible assets during the six months ended June 30, 2018 are equal to Euro 835 thousand related to software assets (of which Euro 548 thousand for the capitalization of staff costs for internal development). Is also worth highlighting that the "Other movements" of the six months mainly refer to the provisional goodwill, related to the purchase of the controlling participation in Agenzia Italia S.p.A., for an amount equal to Euro 51,131 thousand, and for the residual, to the intangible and tangible assets acquired with the entry of Agenzia Italia S.p.A. into the consolidation area.

The item "Intangible assets" includes goodwill emerging from the allocation of the purchase cost of the subsidiaries purchased during the previous financial years.

The following table presents the details of the goodwill as of June 30, 2018, which changes if compared to December 31, 2017, due to the acquisition of Agenzia Italia S.p.A.:

(euro thousand)	**As of June 30, 2018**
Agenzia Italia S.p.A.	51,131
7Pixel S.r.l.	33,374
Quinservizi S.p.A	4,343
Centro Processi Assicurativi S.r.l.	2,801
INSECO S.r.l.	2,240
CESAM S.r.l.	172
Euroservizi per i Notai S.r.l.	130
Total goodwill	**94,191**

The Group performs the impairment test annually (as of December 31) and when circumstances show impairment indicators of the recoverable amount of goodwill. The impairment test of goodwill is based on the calculation of the value in use. The different assumptions to assess the recoverable amount of the CGUs (Cash Generating Unit) are described in the consolidated financial report for the year ended December 31, 2017.

During the six months ended June 30, 2018, based on the analysis of the main internal and external sources of information, no impairment indicators of the recoverable amount of the CGUs have emerged.

Property plant and equipment

As of June 30, 2018, the net book value of property, plant and equipment amounts to Euro 15,970 thousand (Euro 14,683 thousand as of December 31, 2017). During the six months ended June 30, 2018, the additions to property, plant and equipment amount to Euro 1,668 thousand, of which Euro 1,120 thousand related to plant and machinery, Euro 221 thousand related to other long-term assets and Euro 327 thousand for land and buildings.

Is also worth highlighting that the "Other movements" of the six months, equal to Euro 553 thousand, mainly refer to the tangible assets acquired with the entry of Agenzia Italia S.p.A. into the consolidation area.

8. *Investments in associates measured with the equity method*

The item is represented by the shareholding in the joint venture Generale Servizi Amministrativi S.r.l., by the shareholding in the associated company Generale Fiduciaria S.p.A., of which the Issuer holds 10% of the share capital, by the shareholding in associated company Zoorate S.r.l., of which the Group, by means of the subsidiary 7Pixel S.r.l., holds 40% of the share capital, by the shareholding in the associated company 65Plus S.r.l., of which the Issuer holds 31% of the share capital, by the shareholding in the joint venture PrestiPro S.r.l., and by the shareholding in associated company Fin.it S.r.l., of which the Group, by means of the subsidiary Agenzia Italia S.p.A., holds 70% of the share capital, but over which, based on the shareholders' agreement, it currently does not exercise control.

The following table shows the changes in this item for the six months ended June 30, 2018:

(Euro thousand)	As of December 31, 2017	Acquisitions	Net income of the year attributable to the Group	As of June 30, 2018
65Plus S.r.l.	957	49	(100)	906
Fin.it S.r.l.	-	295	35	330
Generale Fiduciaria S.p.A.	82	-	-	82
GSA S.r.l.	388	-	23	411
Prestipro S.r.l.	60	-	(12)	48
Zoorate S.r.l.	499	-	-	499
Total	**1,986**	**344**	**(54)**	**2,276**

During the six months ended June 30, 2018, the loss deriving from the valuation with the equity method of the investments in associated companies and joint ventures was equal to Euro 54 thousand; this value is recognized in the income statement as "Losses from investments".

9. *Non-current financial assets held to maturity*

Non-current financial assets held to maturity are equal to Euro 4,207 thousand as of June 30, 2018, and are composed by shares of a mutual fund for Euro 536 thousand, and other securities for Euro 3.069 thousand, related to securitization of non-performing credits, both acquired with the entry of Agenzia Italia S.p.A. into the consolidation area.

CURRENT ASSETS

10. *Cash and cash equivalents*

The item includes cash in hand and bank deposits. There is no obligation or restriction on available cash.

The following table presents the net financial position, as defined in the CONSOB communication No. DEM/6064293 dated July 28, 2006, as of June 30, 2018 and December 31, 2017:

(euro thousand)	As of June 30, 2018	As of December 31, 2017	Change	%
A. Cash and cash equivalents	89,332	76,569	12,763	16.7%
B. Other cash equivalents	-	-	-	N/A
C. Financial assets held to maturity or for trading	4,486	920	3,566	387.6%
D. Liquidity (A) + (B) + (C)	**93,818**	**77,489**	**16,329**	**21.1%**
E. Current financial receivables	**1,312**	**-**	**1,312**	**N/A**
F. Bank borrowings	(4,538)	(3)	(4,535)	N/A
G. Current portion of long-term borrowings	(16,824)	(30,049)	13,225	-44.0%
H. Other short-term borrowings	-	-	-	N/A
I. Current indebteness (F) + (G) + (H)	**(21,362)**	**(30,052)**	**8,690**	**-28.9%**
J. Net current financial position (I) + (E) + (D)	**73,768**	**47,437**	**26,331**	**55.5%**
K. Non-current portion of long-term bank borrowings	(79,282)	(25,262)	(54,020)	213.8%
L. Bonds issued	-	-	-	N/A
M. Other non-current financial liabilities	(38,151)	-	(38,151)	N/A
N. Non-current Indebteness (K) + (L) + (M)	**(117,433)**	**(25,262)**	**(92,171)**	**364.9%**
O. Net financial position (J) + (N)	**(43,665)**	**22,175**	**(65,840)**	**-296.9%**

The item "Current financial receivables" is composed by the receivable from Fin.it S.r.l. regarding the cash pooling activity of Agenzia Italia S.p.A..

The item "Other non-current financial liabilities" is represented by the estimated liability for the exercise of the put/call option on the residual 50% stake of Agenzia Italia S.p.A..

11. *Trade receivables*

The following table presents the situation of trade receivables as of June 30, 2018 and December 31, 2017:

(euro thousand)	As of June 30, 2018	As of December 31, 2017
Trade receivables	81,301	46,676
(allowance for doubtful receivables)	(3,659)	(1,153)
Total trade receivables	**77,642**	**45,523**

Trade receivables refer to ordinary sales to national customers of the banking, financial, insurance and leasing sector, as well as, for what concerns 7Pixel S.r.l., to e-commerce operators.

The following table presents the variation and the situation of the provision for bad debts as of and for the six months ended June 30, 2018:

(euro thousand)	As of December 31, 2017	Change in the scope of consolidation	Accrual	As of June 30, 2018
Provision for bad debts	1,153	2,232	274	3,659
Total	**1,153**	**2,232**	**274**	**3,659**

It is worth pointing out that the variation includes the provision for bad debts acquired from Agenzia Italia S.p.A., which is equal to Euro 2,232 thousand as of April 1, 2018.

The accrual has been recorded in the "Other operating costs" item of the income statement.

12. *Tax receivables*

Tax receivables include advance payments to the tax authorities which can be collected or offset in the short term in relation to income taxes. As of June 30, 2018, tax receivables amount to Euro 5,330 thousand and include the advances on IRES and IRAP and the tax receivable related to the reduced taxation regime deriving from the utilization of intangible assets by some companies (so called "*Patent Box*"), equal to Euro 3,254 thousand.

13. *Other current assets*

The following table presents the details of the item as of June 30, 2018 and December 31, 2017:

(euro thousand)	As of June 30, 2018	As of December 31, 2017	Other current assets acquired with Agenzia Italia as of April 1, 2018
Accruals and prepayments	1,313	502	283
Advances to suppliers	75	572	5
Others	696	1,215	151
VAT receivables	985	1,346	9
Receivables from associated companies	1,348	-	1,438
Total other current assets	**4,417**	**3,635**	**1,886**

The increase of the item "Accruals and prepayments" if compared to December 31, 2017, is mainly due to advance payments of yearly fees for the rental of software, for telephone services and the maintenance of the hardware of the Group, and to advance payments acquired with the entry of Agenzia Italia S.p.A. into the consolidation area, that refer to insurance premiums and maintenance expenses.

Receivables from associated companies are mainly composed of the receivable from Fin.it S.r.l. as part of the cash pooling activity managed by Agenzia Italia S.p.A..

NON-CURRENT LIABILITIES

14. *Long-term borrowings*

The following table presents the details of the item as of June 30, 2018 and December 31, 2017:

(euro thousand)	As of June 30, 2018	As of December 31, 2017
Bank borrowings	79,282	25,262
1 - 5 years	*55,793*	*25,262*
More than 5 years	*23,489*	-
Other non-current financial liabilities	38,151	-
Estimated liability put/call option Agenzia Italia S.p.A.	*38,151*	-
Total long-term debts and other non-current financial liabilities	**117,433**	**25,262**

The bank borrowings, for the non-current portion, mainly refer to the loan from Mediocredito Italiano S.p.A., signed on January 30, 2018, for an amount equal to Euro 46,736 thousand, to the loan from Crédit Agricole Cariparma S.p.A. signed on June 28, 2018, for an amount equal to Euro 5,732 thousand, and to the loans signed during 2015 with Banca Popolare di Milano S.c.a.r.l. and Cariparma S.p.A., for an amount equal to Euro 21,000 thousand. Such item also includes the non-current portion of the loans signed by Agenzia Italia S.p.A., for an amount equal to 5,814 thousand.

The repayment schedule is presented in the following table:

(euro thousand)	As of June 30, 2018	As of December 31, 2017
- less than one year	21,361	30,052
- between one and five years	55,793	25,262
- more than five years	23,489	-
Total	**100,643**	**55,314**

The interest rate on the bank loan from Banca Popolare di Milano S.c.a.r.l. and Cariparma S.p.A., is equal to 6-month Euribor increased by a spread that is re-determined, according to the contract, at each payment date based on the ratio between the Net Financial Indebtedness and EBITDA resulting from the consolidated economic and financial situation of the Group. For Net Financial Indebtedness, we consider the financial indebtedness net of totally subordinated shareholders' loans, cash and cash equivalent and negotiated financial activities. Based on the effective values of these parameters, the applicable spread on the six months ended June 30, 2018 is equal to 1.75%.

The interest rate on the bank loan from Crédit Agricole Cariparma S.p.A., signed on June 28, 2018, is equal to 3-month Euribor increased by a spread equal to 0.90%, and is subject to variation at each payment date based on the ratio between the Net Financial Indebtedness and EBITDA.

With regard to the bank loan from Mediocredito Italiano S.p.A., signed in the current financial year, it provides at a yearly fixed rate equal to 1.10% on the first tranche of Euro 30,000 thousand, and equal to 1.05% on the second tranche of Euro 20,000 thousand.

Such interest rates are representatives of the actual paid interest rates. The book value of the financial liabilities represents their fair value as of the date of the financial statement.

With regard to the loans from Banca Popolare di Milano S.c.a.r.l. and Cariparma S.p.A., the Group is obliged to comply with the following financial covenants, with reference to the consolidated financial statements for the financial years ended and half years ended during the term of the contract, clarifying that the economic data are to be considered on a twelve-months rolling basis: i) ratio between Net Financial Indebtedness and EBITDA not over 2.5 until December 31, 2016 and not over 2.0 for the following years; ii) ratio between Free Cash Flow and Debt Service not less than 1.1, where Debt Service corresponds to the part of Financial Indebtedness, included net financial costs, paid during the relevant period.

As regards the loan obtained from Crédit Agricole Cariparma S.p.A. during the six months ended June 30, 2018, the Group is obliged to comply with the following consolidated financial covenant: ratio between Net Financial Position and EBITDA: (i) not over 2.50, with reference to the consolidated annual report ended December 31 of each year; (ii) not over 2.75, with reference to the consolidated half year report ended June 30 of each year.

The Group has complied with these covenants since the signing of the contracts, and also, if applicable, as of June 30, 2018.

In addition, through the acquisition of Agenzia Italia S.p.A., the Group acquired various short and middle-term loans, with different interest rates and reimbursement schedules. Please refer to note 2.4.1 for further details about the loans.

Moreover, the other non-current financial liabilities are represented by the estimated financial liability for the exercise of the put/call option for the residual participation of 50% of Agenzia Italia S.p.A..

15. *Provisions for risks and charges*

The following table presents the variation and the situation of the provisions for risks and charges during the six months ended June 30, 2018:

(euro thousand)	As of December 31, 2017	Accrual	Utilization	Releases	As of June 30, 2018
Provision for early repayment of mortgages	152	-	(10)	(21)	121
Provision for prize coupons	50	-	-	-	50
Other provisions for risks	1,265	-	-	-	1,265
Total	**1,467**	**-**	**(10)**	**(21)**	**1,436**

The provision for early repayment of mortgages includes the estimation of possible repayment of commissions received for mortgages intermediated in the year ended at the financial statements date, if particular clauses of the agreements with the banks provide for the reversal of the fees in case of loan prepayment or borrower default.

The "Other provisions for risks" include, for Euro 875 thousand, the estimated liability deriving from the probable charging by some suppliers of the Group of additional costs compared to the previously foreseeable amount, related to professional services supplied to the Mortgage BPO Business Line. The management considers it appropriate to allot those amounts since, based on the agreements with these suppliers, the Group must bear the direct costs incurred by the suppliers in the provision of these services. The item also includes the measurement of the liability considered probable related to labor claims, for Euro 390 thousand.

16. *Defined benefit program liabilities*

The following table presents the variation and the item during the six months ended June 30, 2018:

(euro thousand)	As of December 31, 2017	Acquisition of business	Accrual	Utilization	As of June 30, 2018
Employee termination benefits	10,907	544	1,183	(322)	12,312
Directors' termination benefits	263	-	28	-	291
Total	**11,170**	**544**	**1,211**	**(322)**	**12,603**

17. *Deferred tax liabilities*

The item is equal to 6,359 thousand as of June 30, 2018 and includes the estimation of the income taxes of the period for an amount equal to Euro 8,044 thousand, deferred tax liabilities for an amount equal to Euro 1,767 thousand, partially offset by deferred tax assets for Euro 3,452 thousand.

The changes of the item as of June 30, 2018 are mainly due to the estimation of the income taxes of the period, based on the best estimate of the expected tax rate for the full financial year.

18. *Other non-current liabilities*

The item is equal to Euro 2,422 thousand as of June 30, 2018 (Euro 2,446 as of December 31, 2017), and represents the liabilities for the estimated consideration to be paid for the exercise of the put/call option on the residual 49% stake of subsidiary Mikono S.r.l., exercisable during financial year 2021, equal to Euro 881 thousand, and for the estimated consideration for the future acquisition, upon the approval of the 2020 annual report, of the residual 60% of Zoorate S.r.l., equal to Euro 1,532 thousand.

CURRENT LIABILITIES

19. *Short-term borrowings*

Short-term borrowings amount to Euro 21,362 thousand as of June 30, 2018 (Euro 30,052 thousand as of December 31, 2017) and include the current portion of bank borrowings, the interest payable on the outstanding loans as of June 30, 2018, and the liabilities related to the short-term credit lines used by Agenzia Italia S.p.A., for an amount equal to Euro 4,526 thousand.

20. *Trade and other payables*

Trade and other payables, equal to Euro 22,896 thousand (Euro 15,784 thousand as of December 31, 2017) include the payables to suppliers for the purchase of goods and services.

The increase if compared to December 31, 2017, is mainly attributable to the entry of Agenzia Italia S.p.A. into the consolidation area.

There are no trade payables due over 12 months.

21. *Tax payables*

The item mainly includes the liability for IRES and IRAP, for an amount equal to Euro 867 thousand.

22. *Other current liabilities*

The following table presents the situation of the item as of June 30, 2018 and December 31, 2017:

(euro thousand)	**As of June 30, 2018**	**As of December 31, 2017**	**Other current liabilities acquired with Agenzia Italia as of April 1, 2018**
Liabilities to personnel	9,977	8,039	1,837
Social security liabilities	3,778	3,198	533
Social security liabilities on behalf of employees	2,047	2,406	188
Accruals	1,152	127	984
VAT liabilities	1,656	68	327
Other liabilities	2,321	7,016	1,449
Total other current liabilities	**20,931**	**20,854**	**5,318**

The increase of the items “Liabilities to personnel” and “Social security liabilities” is mainly due to the growth of the headcount in the period, partially attributable to the entry of Agenzia Italia S.p.A. into the consolidation area.

The increase of the “Accruals” item mostly refers to the deferred income of Agenzia Italia S.p.A., linked to services already invoiced but not yet entirely performed. In particular, the item refers to the provision of outsourcing services and to the management of a performing credit portfolio.

The decrease of the "Other liabilities" item is mainly due to the payment of the earn out concerning the purchase of the minority stake of subsidiary IN.SE.CO. S.r.l., equal to Euro 6,236 thousand, occurred in the six months ended June 30, 2018.

23. *Shareholders' equity*

For an analysis of the changes in shareholder's equity refer to the relevant report.

In January 2018, 99,130 new shares were issued, referring to the increase of the share capital resolved by the Board of Directors, following the delegation attributed by the extraordinary shareholders' meeting held on April 22, 2016. As a consequence of such issue, as of June 30, 2018, Company's share capital is composed of 40,000,000 shares, with no nominal value.

On April 24, 2018, the shareholders' meeting resolved a dividend distribution of Euro 0.30 per share. This dividend was distributed with ex-dividend date April 30, 2018, record date May 2, 2018 and payment date May 3, 2018.

Following this resolution, the Issuer paid dividends for a total amount of Euro 11,427 thousand.

24. *Purchase and sale of own shares*

Over the six months ended June 30, 2018, the Issuer purchased 312,434 own shares, equal to 0.781% of the share capital, for a total value equal to Euro 4,242 thousand.

As of June 30, 2018, the companies of the Group hold a total of 1,977,280 shares of the Issuer, of which 325,758 purchased directly by the Issuer, 1,500,000 purchased by subsidiary MutuiOnline S.p.A. and 151,522 purchased by subsidiary Centro Istruttorie S.p.A, equal in total to 4.943% of ordinary share capital, for a total cost of Euro 10,152 thousand. Being the shares without nominal value, the purchase cost is deducted from the share capital for an amount implicitly corresponding to the nominal value, equal to Euro 49 thousand as of June 30, 2018, and from available reserves for an amount equal to the remaining part of the purchase cost.

As of June 30, 2018, there are 38,022,720 outstanding shares, equal to 95.06% of share capital.

25. *Stock option plans*

Personnel costs for the six months ended June 30, 2018 include Euro 327 thousand related to the Group stock option plan. In the six months ended June 30, 2017 personnel costs related to the Group stock option plan amount to Euro 275 thousand.

On April 27, 2017 the shareholders' meeting approved the rules for a stock option plan for the benefit of certain directors, employees and other personnel of the Group.

On March 12, 2018 the Company's Board of Directors resolved, according to the rules of the stock option plan resolved by the shareholders' meeting of the Issuer held on April 27, 2017, to offer 400,000 stock options to the executive directors, Marco Pescarmona and Alessandro Fracassi, with an exercise price equal to Euro 13.549.

On March 12, 2018, the Company's executive committee resolved the allotment of 839,850 stock options to certain employees and other personnel of the Group, with an exercise price equal to Euro 13.549 per share.

The valuation of the stock option plan was based on the Black, Scholes and Merton model using the following parameters:

Risk-free interest rate (%)	1.00%
Maturity (years)	6
Implicit volatility (%)	32,7%
Dividend yield	2,23%

The parameters used for the valuation of the granted options refer to data recorded on the same date of the allotment of the options and refer to the most recent economic/financial variables.

As of June 30, 2018, the outstanding stock options are detailed as follows:

Data shareholders' meeting resolution	Date of assignment	Maturity date	Expiry date	# options	Strike price	Value of the option
September 25, 2014	October 1, 2014	October 1, 2017	September 30, 2020	767,324	4.976	0.86
April 27, 2017	March 12, 2018	March 12, 2021	March 11, 2024	1,231,350	13.549	2.61
			Total options	**1,998,674**		

INCOME STATEMENT

26. *Revenues*

The following table presents the details of the item during the six months ended June 30, 2018 and 2017:

	Six months ended	
(euro thousand)	**June 30, 2018**	**June 30, 2017**
Broking Division revenues	37,191	34,114
BPO Division revenues	48,217	44,551
Total revenues	**85,408**	**78,665**

For further details about the revenues please refer to the interim directors' report on operations.

27. *Other income*

The item, equal to Euro 1,581 thousand for six months ended June 30, 2018, contains mainly income for the reimbursement of postage and courier expenses of the BPO Division.

28. *Services costs*

Services costs amount to Euro 30,889 thousand for the six months ended June 30, 2018 (Euro 28,779 thousand for the six months ended June 30, 2017) and include Euro 11,399 thousand for marketing expenses (Euro 11,060 thousand for the six months ended June 30, 2017), Euro 7,769 thousand for external services in the valuation and notary coordination area (Euro 7,225 thousand for the six months ended June 30, 2017), Euro 3,279 thousand for technical, legal and administrative consultancy (Euro 3,032 thousand for the six months ended June 30, 2017), and Euro 2,137 thousand for commission payout mainly related to the agents of the Money360 network (Euro 1,451 thousand for the six months ended June 30, 2017).

29. *Personnel costs*

Personnel costs amount to Euro 27,564 thousand for the six months ended June 30, 2018 (Euro 25,096 thousand for the six months ended June 30, 2017) and mainly include employee wages and salaries equal to Euro 19,288 thousand for the six months ended June 30, 2018 (Euro 17,149 thousand for the six months ended June 30, 2017) and social security contributions equal to Euro 4,992 thousand (Euro 4,528 thousand for the six months ended June 30, 2017).

The increase if compared to the same period of the previous financial year is mainly due to the growth of personnel headcount and compensation, related to the growth of the operations, and to the entry of Agenzia Italia S.p.A. into the consolidation area.

Besides, we highlight that in the six months ended June 30, 2018 there are costs related to the stock option plan for Euro 327 thousand, for which please refer to note 25 (Euro 275 thousand in the six months ended June 30, 2017).

30. *Other operating costs*

The item "Other operating costs", equal to Euro 2,802 thousand (Euro 2,565 thousand in the six months ended June 30, 2017), includes Euro 1,721 thousand (Euro 1,567 thousand for the six months ended June 30, 2017) relative to non-deductible VAT costs.

31. *Depreciation and amortization*

The following table presents the details of the item for the six months ended June 30, 2018 and 2017:

	Six months ended	
(euro thousand)	**June 30, 2018**	**June 30, 2017**
Amortization of intangible assets	(2,183)	(2,719)
Depreciation of property, plant and equipment	(934)	(778)
Total depreciation and amortization	**(3,117)**	**(3,497)**

The decrease of the amortization of intangible assets is mainly attributable to the completion, in the first quarter 2018, of the amortization process of the amount allocated, through the consolidation of 7Pixel S.r.l., to the software platform.

32. *Net financial expenses*

Financial expense for the six months ended June 30, 2018, includes the interest on the outstanding loans, equal to Euro 784 thousand, and the expenses deriving from the evaluation of the financial liability for the earn out, paid during the first half 2018, for the acquisition of the participation in IN.SE.CO. S.r.l., equal to Euro 794 thousand.

33. *Income tax expense*

Income taxes in the six months ended June 30, 2018 are accounted based on the best estimate of the expected tax rate for the entire financial year. The estimated tax rate for the financial year 2018 is equal to 22.9% (30.3% in 2017). The decrease, compared to the previous year, is mainly linked to the reduced taxation regime of the incomes deriving from the utilization of intangible assets by some Group companies (so called "Patent Box").

34. *Earnings per share*

Earnings per share for the six months ended June 30, 2018 have been computed by dividing the net income for the period attributable to the shareholders of the Issuer (Euro 15,890 thousand) by the weighted average number of Issuer shares outstanding during the six months ended June 30, 2018 (38,057,963 shares).

The diluted earnings per share for the six months ended June 30, 2018 are determined considering the average number of potential shares with dilutive effect during the half year ended June 30, 2018, which are represented by stock options assigned to employees of the Group with a strike price below the official price of the shares of the Issuer. The average number of those financial instruments in the half year is equal to 1,072,212.

35. *Potential liabilities*

We do not report any potential liabilities, except those which gave origin to the provisions in the item "Provisions for risks and charges", above described.

36. *Related parties*

Related party transactions, including intra-group transactions, are part of the ordinary business operations of the Group, and do not include any unusual or atypical transactions.

Key management compensation

The overall compensation of managers with strategic responsibilities, i.e. those persons having authority and responsibility for planning, directing and controlling directly or indirectly the activities of the Group, including the directors, amounts to Euro 662 thousand in the six months ended June 30, 2018 (Euro 710 thousand in the six months ended June 30, 2017).

As of the date of approval of this interim consolidated financial report, the directors of the Company hold, directly or indirectly, 33.08% of the share capital of the Issuer, while managers with strategic responsibilities, directors and members of the internal control committee together hold 33.17% of the share capital of the Issuer.

37. *Seasonality*

The Group is subject to the seasonality trends of the market for mortgage and consumer credit with regard to the Mortgage Broking and Mortgage BPO Business Lines. Typically, compared with our total monthly average revenues, revenues in July and December are generally higher, and revenues in January and August are lower.

As regards the E-Commerce Price Comparison Business Line, the trend of revenues presents a seasonal peak in the fourth quarter of the year.

38. *Events and significant non-recurring operations and positions or transactions deriving from atypical or unusual operations*

In the six months ended June 30, 2018, in addition to the above-described transactions, there are no further significant non-recurring events or transactions and there are no positions or transactions deriving from atypical or unusual operations.

39. *Subsequent events*

Purchase of own shares

Pursuant to the share buyback program within the limits and with the purposes of the authorization granted by the shareholders' meeting of April 27, 2017, after June 30, 2018, the Group purchased 141,571 own shares, equal to 0.354% of the share capital.

As of the date of approval of this consolidated financial report the Group's companies own in total 2,118,851 Issuer shares, equal to 5.297% of share capital, for a total cost equal to Euro 12,105 thousand.

Payment of second tranche of the loan granted by Crédit Agricole Cariparma S.p.A.

On July 4, 2018, the second tranche of the loan obtained from Crédit Agricole Cariparma S.p.A. was paid to the Group, for an amount equal to Euro 13,500 thousand, achieving the maximum amount equal to Euro 20,000 thousand provided by the agreement.

Early loan repayments

On July 4, 2018, the Group early repaid the whole residual amount of the loans obtained from Banca Popolare di Milano S.c.a.r.l. and Cariparma S.p.A., for a total amount equal to Euro 27,000 thousand.

40. *Directors' approval*

This report was approved by the Board of Directors for publication on September 6, 2018.

4. DECLARATION PURSUANT TO ART. 154-BIS PAR. 5 OF LAW DECREE 58/1998

The undersigned Marco Pescarmona and Francesco Masciandaro, respectively chairman of the board of directors and manager in charge of preparing the accounting documents of Gruppo MutuiOnline S.p.A., hereby certify, taking into account the provision of art. 154-bis, paragraph 3 and 4, of Law Decree n. 58 dated February 24, 1998:

- the adequacy in relation to the features of the company; and
- the actual application of the administrative and accounting procedures for the preparation of the consolidated interim financial report as of and for the six months ended June 30, 2018.

In this respect no relevant issues have arisen, such as anomalies or problems that could alter the information presented in this document or such modify the judgment of its readers.

Besides, we certify that the consolidated interim financial report:

1. corresponds to the results of the accounting books and book entries;
2. is prepared in accordance with IFRS, understood as the International Financial Reporting Standards, the International Accounting Standards ("IAS"), the interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"), previously denominated Standing Interpretations Committee ("SIC"), as adopted by the European Commission as of June 30, 2018 and published in the EU regulations as of this date;
3. as far as we know, is appropriate to give a true and fair representation of the financial and economic situation of the Issuer and of all the companies included in the scope of consolidation;
4. the interim directors' report on operations contains information about the significant events of the first half of the year and their impact on the consolidated interim financial report, together with a description of the main risks and uncertainties for the second half of the year.

Milan, September 6, 2018

For the Board of Directors
The Chairman
(Ing. Marco Pescarmona)

The Manager in charge of preparing the accounting statements
(Dott. Francesco Masciandaro)