Interim Financial Report 2019

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

openjobmetis

AGENZIA PER IL LAVORO

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Corporate Information

Openjobmetis S.p.A.
Employment Agency
Aut. Prot. N.1111-SG dated
26/11/2004
Registered Office
Via G. Fara 35 – 20124 Milan

Headquarters and Offices
Via Marsala 40/C Centro Direzionale Le Torri, 21013 Gallarate (VA)

Legal Information
Approved and subscribed share capital: EUR 13.712.000
Registered in the Milan Register of Companies under tax code13343690155

Website
www.openjobmetis.it

Professional.
Personal.

CORPORATE BODIES

The ordinary shareholders' meeting, convened on 24 April 2018, appointed the new Board of Directors and the new Board of Statutory Auditors for 2018-2020.

Board of Directors[1]

Chairman	Marco Vittorelli
Managing Director	Rosario Rasizza
Directors[2]	Alberica Brivio Sforza[3]
	Giovanni Fantasia[3]
	Carlo Gentili
	Biagio La Porta
	Alberto Rosati[3]
	Daniela Toscani
	Corrado Vittorelli

Board of Statutory Auditors

Chairman	Chiara Segala
Standing Auditors	Manuela Paola Pagliarello
	Roberto Tribuno
Alternate Auditors	Alvise Deganello
	Marco Sironi

1 In office until the Shareholders' Meeting called to approve the financial statements as at 31/12/2020

2 On 4 February 2019, Fabrizio Viola resigned from the office of non-executive and independent Director of the Company, as well as from the office of Chairman of the Company's Remuneration Committee.

3 Independent Director

Committees

Control and Risks Committee	Alberto Rosati (Chairman)[3]
	Giovanni Fantasia[3]
	Daniela Toscani
Remuneration Committee[4]	Alberica Brivio Sforza (Chairman)[3]
	Alberto Rosati[3]
	Daniela Toscani
Related Parties Committee	Alberica Brivio Sforza (Chairman)[3]
	Giovanni Fantasia[3]
	Alberto Rosati[3]

* * *

Manager in charge of financial reporting	Alessandro Esposti

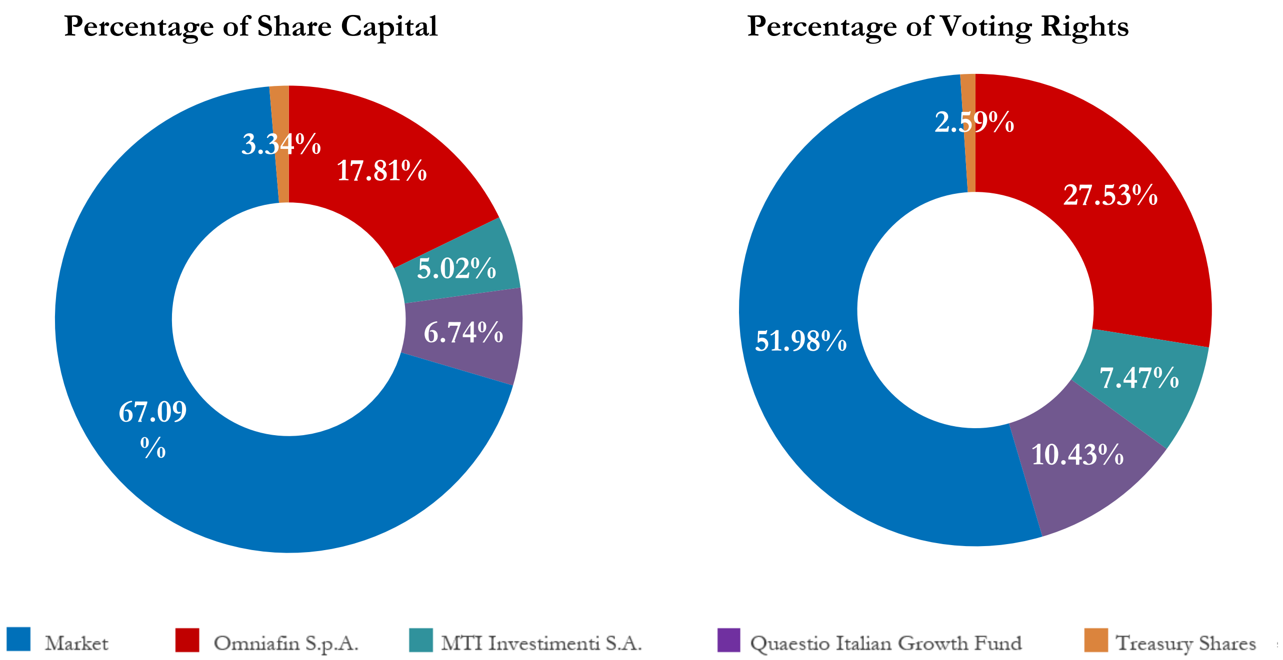
* * *

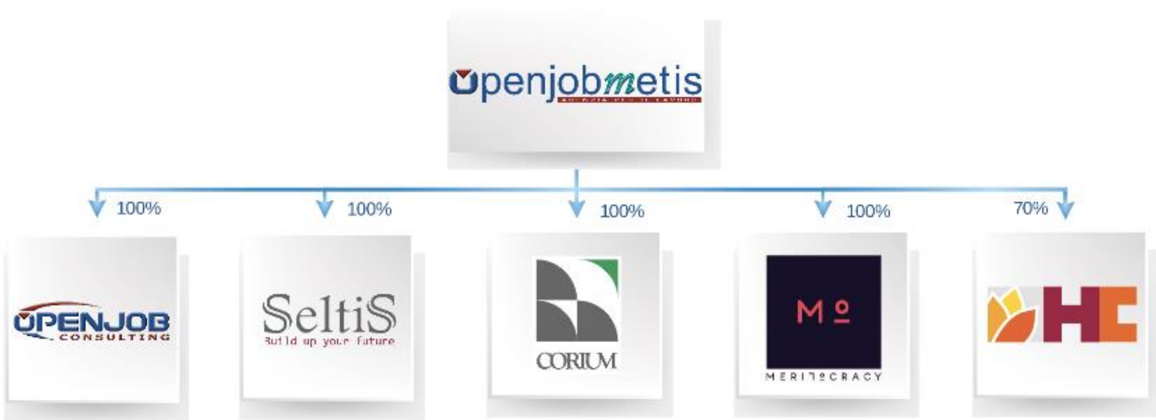
Independent Auditors[5]	KPMG S.p.A.

4 On 11 February 2019, the Board of Directors, having taken note of the resignation of Fabrizio Viola from the office of non-executive and independent Director of the Company, as well as from the office of Chairman of the Company's Remuneration Committee, resolved to appoint Alberto Rosati as a new member of the Remuneration Committee, and to appoint Alberica Brivio Sforza from among its members as the new Chairman, until the expiry of the mandate.

5 In office until 31/12/2023

STRUCTURE OF THE GROUP[6]





[6] Structure of the share capital and voting rights as at 30 June 2019

DIRECTORS' REPORT

Consequences of adopting new accounting standard IFRS 16 - Leases

The Openjobmetis Group adopted *IFRS 16 Leases* starting from 1 January 2019.

IFRS 16 redefines existing leasing guidance. The standard replaces *IAS 17 "Leases"*, as well as *IFRIC 4 "Determining Whether an Arrangement Contains a Lease"*, *SIC 15 "Operating Leases - Incentives"* and *SIC 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease*".

IFRS 16 introduces a single lessee accounting model, requiring, as a general rule, the recognition under assets of the right of use of the underlying asset and under liabilities of the lease liability of the capital of the lease payments. There are exceptions to the application of IFRS 16 for short-term leases and for low-value assets.

The Group recognised new assets and liabilities mainly for its operating leases on properties used as headquarters and in which branches operate, and for the operating leases of company cars. The nature of the costs relating to the above mentioned leases consequently changed since the Group amortised right-of-use assets, posting the interest expense on lease liabilities.

Previously, the Group recognised costs for operating leases on a straight-line basis over the lease term and recorded assets and liabilities only in the presence of temporary differences between the moment in which it made the lease payments and cost recognition.

The effects of adopting the new IFRS 16 standard will be explained hereunder, also with the IFRS 16 pre-adoption "pro-forma" figures of 2019.

The main financial impacts following the adoption of IFRS 16 are the following:

- Costs for services: these amounted to EUR 12,895 thousand in the first six months of 2019. Before the adoption of the new IFRS 16, costs for services would have been recognised for a total of EUR 14,797 thousand. The difference of EUR 1,902 thousand is due to not recording costs for operating leases on a straight-line basis throughout the lease term.

- Amortisation/depreciation: this amounted to EUR 2,361 thousand in the first six months of 2019. Before the adoption of the new IFRS 16, amortisation/depreciation would have been recognised for a total of EUR 510 thousand. The EUR 1,851 thousand difference is due to recording the amortisation for right of use of the assets underlying the leases.

- Financial expense: this amounted to EUR 452 thousand in the first six months of 2019. Before the adoption of the new IFRS 16, financial expense would have been recognised for a total of EUR 344 thousand. The EUR 108 thousand difference is due to recording financial expense on lease liabilities.

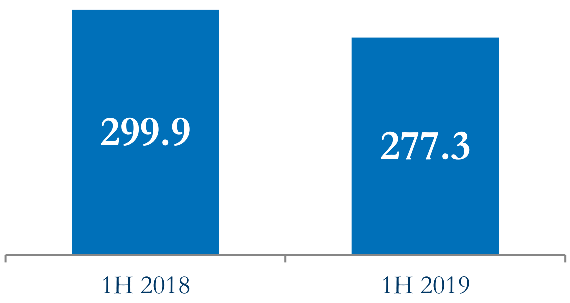
- Net financial indebtedness: it showed a balance of EUR 29,097 thousand as at 30 June 2019. Before adoption of the new IFRS 16, net financial indebtedness would have amounted to EUR 17,013 thousand. The EUR 12,084 thousand difference is due to recording lease liabilities.

Note that the application of IFRS 16, which gives rise, as explained above, to lower costs for services, higher amortisation/depreciation and higher financial expense, generated a total negative impact of EUR 57 thousand in the first six months of 2019 due to the greater impact of financial expense in the initial part of the respective agreements.

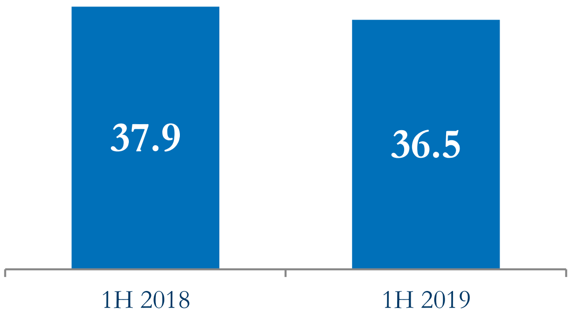
For further information, please refer to notes 1, 4, 13 and 27 of the condensed interim consolidated financial statements.

Highlights (in millions of EUR)

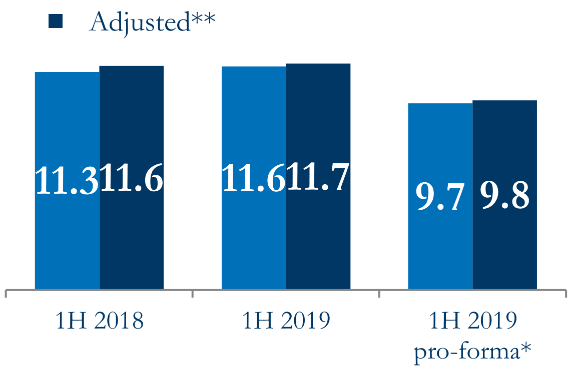
Revenue



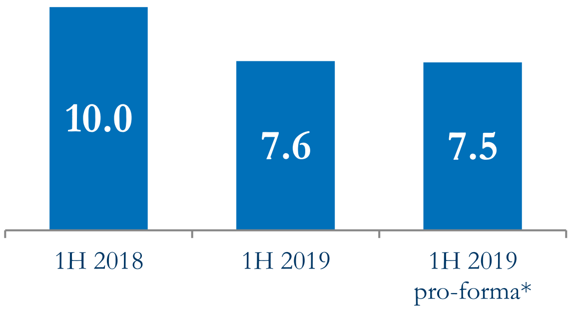
First contribution margin



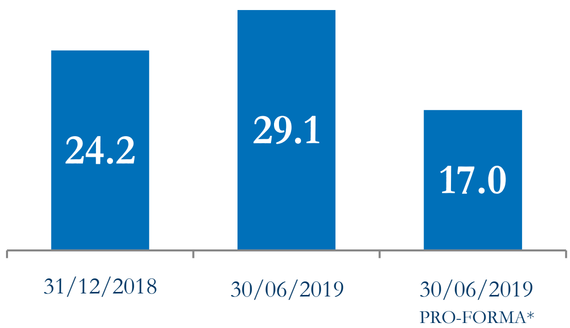
EBITDA



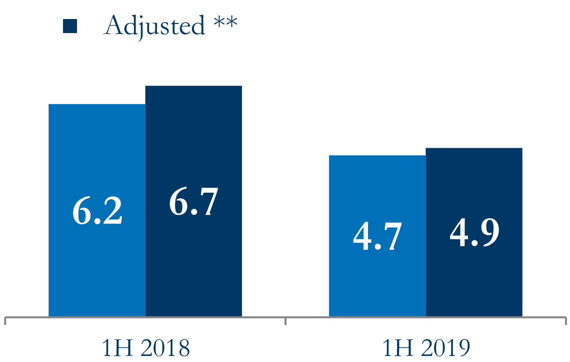
Adjusted EBITA**



Net Financial Indebtedness (NFI)



Profit (loss) for the period



*Prior to adoption of IFRS 16

**Calculated as indicated in the following section

Trends in key, financial and operating indicators

Income Statement indicators	30/06/2019		30/06/2018		19 vs 18 Δ	
	EUR	%	EUR	%	EUR	%
First contribution margin (millions/margin) (1)	36.5	13.2%	37.9	12.7%	(1.4)	(3.7%)
EBITDA (millions/margin) (2)	11.6	4.2%	11.3	3.8%	0.3	2.4%
Adjusted EBITDA (millions/margin) (3)	11.7	4.2%	11.6	3.9%	0.1	1.0%
EBITA (millions/margin) (4)	7.4	2.7%	9.7	3.2%	(2.3)	(23.4%)
Adjusted EBITA (millions/margin) (5)	7.6	2.7%	10.0	3.3%	(2.4)	(24.3%)
Profit (loss) for the period (millions/margin)	4.7	1.7%	6.2	2.1%	(1.5)	(24.0%)
Adjusted profit (loss) for the period (millions/margin)(6)	4.9	1.8%	6.7	2.2%	(1.8)	(26.9%)
Earnings (loss) per share (EUR)	0.34	-	0.45	-	(0.11)	(24.0%)

Other indicators	30/06/2019	31/12/2018	19 vs 18 Δ	
			Amount	%
Net financial indebtedness (EUR million) (7)	29.1	24.2	4.9	20.2%
Number of shares (thousand)	13,712	13,712	-	0.0%
Average no. of days to collect trade receivables (days) (8)	77	70	7	10.0%

(1) The first contribution margin is calculated as the difference between Revenue and Personnel expense for temporary workers.

(2) EBITDA is calculated as Profit (loss) for the period before income taxes, net financial expense, amortisation/depreciation, provisions and impairment losses on trade receivables and other assets.

(3) Adjusted EBITDA is calculated as EBITDA before charges mainly relating to consultancy and due diligence costs for potential acquisitions (as indicated in the following pages of this report).

(4) EBITA is calculated as Profit (loss) for the period before income taxes, net financial expense and amortisation of customer relations included in the balance of Intangible assets and goodwill.

(5) Adjusted EBITA is calculated as EBITA before charges mainly relating to consultancy and due diligence costs for potential acquisitions (as indicated in the following pages of this report).

(6) Adjusted Profit (loss) for the period is calculated as Adjusted Profit (loss) for the period before charges mainly relating to consultancy and due diligence costs for potential acquisitions (as indicated in the following pages of this report) and net of the related tax effect.

(7) Net financial indebtedness shows the company's financial exposure to lenders and is the difference between financial assets and the sum of current and non-current financial liabilities (see the section on "Operating performance and results of the Group" for details).

(8) Average number of days to collect trade receivables: I) as at 31 December, trade receivables / sales revenue x 360; II) as at 30 June, trade receivables / sales revenue x 180.

The above-mentioned indicators are considered to facilitate the analysis of business performance, ensuring better comparability of results over time.

The above indicators are not identified as accounting measures under IFRS; therefore, the quantitative determination thereof may not be unique; the use of alternative performance indicators aims to facilitate understanding of the results of the Group. The determination criteria applied by the Group may not be consistent with those adopted by other groups, and therefore the balances obtained by the Group may not be comparable with those determined by the latter.

With reference to the period ended 30 June 2019, the alternative performance indicators also include the pro-forma figures relating to the adoption of IFRS 16, indicated in this report.

General economic scenario and labour market[7]

After the slowdown in Italian GDP, which began in the third quarter of 2018, the latest Quarterly Income Statements published by ISTAT show a slight increase in GDP for the first quarter of 2019 (+0.1%) compared to the fourth quarter of 2018, driven by investments (+0.6%), final domestic consumption (+0.2%) and exports (+0.2%). This growth, albeit slight, is a good sign for the Italian economy and could point to a better second half of the year than the previous one. This trend should also be seen in the rest of Europe where, according to the latest ISTAT estimates, the economy is expected to recover, albeit modestly, in the second half of the year (+0.4% in both the third and fourth quarters of 2019).

According to initial estimates by the Bank of Italy, in the second quarter of 2019 Italian GDP remained stable, if not slightly down. This trend would have been partly affected by industrial production, which fell by 0.7%, and partly by a slight recovery in the services and construction sectors. Finally, the Bank of Italy estimates 0.1% growth in Italy's GDP for 2019. The value is aligned with the estimate previously issued by the European Union.

In terms of employment, the latest statistics received are slightly more comforting. According to ISTAT, in May 2019 the number of employees increased compared to the previous month. It is mainly the over-50s who are the driving force. Young people are stable and the age range from 35 to 49 years is decreasing. The result was an unemployment rate that fell below the psychological level of 10%, stopping at 9.9% (-0.2 bps compared to the previous survey). The youth unemployment rate remains high - albeit down compared to the previous survey - in May at 30.5% (31.1% in April 2019). Employment growth is mainly distributed among permanent, temporary and independent employees.

According to INPS data, in the first quarter of 2019, compared to the same period of the previous year, there was an increase in permanent contracts, apprenticeships and on-call contracts. Moreover, there was an increase in the conversion of temporary contracts into permanent contracts. At the same time, there was a decrease in temporary contracts. In terms of temporary work, in the first four months of the year (the last figure available from EBITEMP) the hours worked fell by about 3% compared to the first five months of 2018. In this context, we are generally witnessing a significant increase in the use of staff leasing, i.e. the employees recruited on

[7]Sources: INPS, Banca d'Italia, EBITEMP

permanent contracts directly by the agencies themselves and the simultaneous decrease in temporary work.

The changes that characterise the labour market from the last months of 2018 are mainly related to the entry into force of the so-called "Dignity Decree" (Law Decree No. 87 of July 12, 2018, later converted with amendments by Law No. 96/2018) which envisaged, among other things, the reintroduction of the reasons for use of temporary work if the 12-month limit is exceeded.

With regards to Citizens' Income, a measure of active labour policy and the fight against poverty, launched at the beginning of 2019 with Law Decree no. 4 of 28 January, the latest available statistics indicate that until the beginning of July there were more than 1.3 million applications submitted, of which more than 840,000 accepted. The number of applications is much lower than imagined; Pasquale Tridico, President of INPS, confirmed that about 1.5 billion savings are expected, mainly due to the high rate of rejected applications, but also to delays in processing applications. As it was conceived, in addition to the purely welfare focused measure, the Citizens' Income would also provide for the implementation of active labour policies: the recipients will have the right to refuse up to 2 job offers before losing the right to the subsidy. While in terms of welfare, the first transfers started already in April, with regards to active policies, the delays due to the extension of the time required for selecting and hiring the navigators - those who will propose job offers to the beneficiaries of Citizens' Income, have delayed the implementation. Only by the end of July, the recruitment of about 3,000 navigators already selected through competition should be finalised, but they will still have to be trained. This training is expected to end mid-August and the navigators will only become fully operational from September.

Operating performance and results of the Group

Analysis of the operating performance of the Openjobmetis Group in 1H 2019

Revenue from sales for the first six months of 2019 came to EUR 277.3 million compared to EUR 299.9 million for the same period in the previous year. Temporary work revenue was down, in line with the market, but was countered by significant growth in revenue from personnel recruitment and selection, which increased by 33.5% compared with the same period in 2018. Operating profit (or EBIT, earnings before financial income and expense and taxes) went from EUR 9.6 million for the first six months of 2018 to EUR 7.4 million for the same period in 2019, after amortisation/depreciation, provisions and impairment losses totalling EUR 4,208 thousand (2018: EUR 1,668 thousand).

The table below shows the consolidated financial figures of the Group for the periods ended 30 June 2019 and 2018.

(Amounts in thousands of EUR)	**Period ended 30 June**				**2019/2018 Change**	
	2019	**% of Revenue**	**2018**	**% of Revenue**	**Value**	**%**
Revenue	277,260	100.0%	299,887	100.0%	(22,627)	(7.5%)
Costs of temporary work	(240,731)	(86.8%)	(261,948)	(87.3%)	21,217	(8.1%)
First contribution margin	**36,529**	**13.2%**	**37,939**	**12.7%**	**(1,410)**	**(3.7%)**
Other income	5,037	1.8%	5,675	1.9%	(638)	(11.2%)
Employee costs	(16,614)	(6.0%)	(16,446)	(5.5%)	(168)	1.0%
Cost of raw materials and consumables	(125)	(0.0%)	(149)	(0.0%)	24	(16.1%)
Costs for services	(12,895)	(4.7%)	(15,314)	(5.1%)	2,419	(15.8%)
Other operating expenses	(342)	(0.1%)	(389)	(0.1%)	47	(12.2%)
EBITDA	**11,590**	**4.2%**	**11,316**	**3.8%**	**274**	**2.4%**
Impairment loss on trade receivables and other asset	(1,847)	(0.7%)	(1,262)	(0.4%)	(585)	46.4%
Amortisation/depreciation	(2,339)	(0.8%)	(384)	(0.1%)	(1,955)	509.1%
EBITA	**7,404**	**2.7%**	**9,670**	**3.2%**	**(2,266)**	**(23.4%)**
Amortisation of *intangible assets*	(22)	(0.0%)	(22)	(0.0%)	0	(0.8%)
EBIT	**7,382**	**2.7%**	**9,648**	**3.2%**	**(2,266)**	**(23.5%)**
Financial income	28	0.0%	21	0.0%	7	35.3%
Financial expense	(452)	(0.2%)	(339)	(0.1%)	(113)	33.4%

(Amounts in thousands of EUR)	Period ended 30 June				2019/2018 Change	
	2019	**% of Revenue**	**2018**	**% of Revenue**	**Value**	**%**
Profit (loss) before taxes	**6,958**	**2.5%**	**9,330**	**3.1%**	**(2,372)**	**(25.4%)**
Income taxes	(2,242)	(0.8%)	(3,128)	(1.0%)	886	(28.3%)
Profit (loss) for the period	**4,716**	**1.7%**	**6,202**	**2.1%**	**(1,486)**	**(23.9%)**

The table below shows the breakdown of non-recurring costs, which are adjusted so as to reflect their impact on the income statement in the first six months of 2019 and 2018, respectively:

(In thousands of EUR)	**Brief description**	**30/06/2019**	**30/06/2018**
Costs for services	Charges relating mainly to consultancy and due diligence costs for potential acquisitions	149	305
Financial expense	Commission release following early settlement of medium/long-term loan	116	-
Total		**265**	**305**
Amortisation/depreciation	Amortisation of customer relations included in the amount of intangible assets and goodwill	22	22
Total costs		**287**	**327**
Tax effect		(76)	(91)
Taxes (2018 conciliation)		-	304
Total impact on the Income Statement		**211**	**540**

In the first six months of 2019, charges relating mainly to consultancy and due diligence costs for potential acquisitions amounted to EUR 149 thousand and amortisation of customer relations included in the amount of intangible assets and goodwill amounted to EUR 22 thousand. Financial expense of the first six months of 2019 included the release of commissions after the early settlement of the medium/long-term loan (for further information, please refer to point 13 of the condensed interim consolidated financial statements). The above resulted in an adjusted net profit of EUR 4,927 thousand, taking into account a negative tax effect of EUR 76 thousand.

IFRS 16 - Leases - Main impacts on the income statement after adoption of the new standards

The impacts on the income statement after adoption of the IFRS 16 Leases standard chiefly concern:

- Costs for services: these amounted to EUR 12,895 thousand in the first six months of 2019. Before the adoption of the new IFRS 16, costs for services would have been recognised for a total of EUR 14,797 thousand. The difference of EUR 1,902 thousand is due to not recording costs for operating leases on a straight-line basis throughout the lease term.

- Amortisation/depreciation: this amounted to EUR 2,361 thousand in the first six months of 2019. Before the adoption of the new IFRS 16, amortisation/depreciation would have been recognised for a total of EUR 510 thousand. The EUR 1,851 thousand difference is due to recording the amortisation for right of use of the assets underlying the operating leases.

- Financial expense: this amounted to EUR 452 thousand in the first six months of 2019. Before the adoption of the new IFRS 16, financial expense would have been recognised for a total of EUR 344 thousand. The EUR 108 thousand difference is due to recording financial expense on lease liabilities.

Note that the application of IFRS 16, which gives rise, as explained above, to lower costs for services, higher amortisation/depreciation and higher financial expense, generates a total negative impact of EUR 57 thousand in the first six months of 2019 due to the greater impact of financial expense in the initial part of the respective agreements.

Revenue from sales and services

Total revenue dropped 7.5% in the first six months of 2019 compared to the same period of 2018, in line with the performance of the reference market. However, significant growth (33.5%) in revenue from personnel recruitment and selection was recorded. Revenue from outplacement also increased.

Costs of temporary work

Personnel expense relating to temporary workers shows a decrease of EUR 21,217 thousand, from EUR 261,948 thousand in 1H 2018 to EUR 240,731 thousand in the corresponding period of 2019. The incidence on revenue in 1H 2019 was 86.8%, down compared to the first six months of 2018 (87.3%).

The change was mainly due to the decrease in business volume in terms of temporary worker hours sold to customers.

First contribution margin

The first contribution margin of the Group in the first six months of 2019 was equal to EUR 36,529 thousand, compared to EUR 37,939 thousand in the same period of 2018. This represented 13.2% of revenue as at 30 June 2019, up compared to 30 June 2018 (12.7%). The recovery of the first margin was due to both the increase in the temporary work margin, and the greater impact of other high added-value HR services, which increased from 11.3% in the first six months of 2018 to 13.0% in the same period of 2019. The continuous percentage increase of the first contribution margin is an indicator of the Group's sustained effort, despite a complex market context.

Other income

In 1H 2019, Other income stood at EUR 5,037 thousand, with a EUR 638 thousand decline compared to 1H 2018 (EUR 5,675 thousand).

The item mainly includes grants from Forma.Temp (EUR 4,697 thousand for 2019, against EUR 5,443 thousand in 2018) for costs incurred by the Group to deliver training courses for temporary workers through qualified trainers, and other sundry income (EUR 340 thousand in 2019, against EUR 232 thousand in 2018). These grants are issued by Forma.Temp on the basis of the specific cost reports of equal amounts - recorded for the organisation and performance of training activities – carried out for each individual initiative.

Employee costs

The average number of employees in 1H 2019 was 641, compared to 640 in 1H 2018, and includes staff employed at the headquarters and at the Group's subsidiaries (175 employees in 1H 2019 for the Group) and at the branch offices located throughout the country (466 employees in 1H 2019 for the Group).

Employee costs amounted to EUR 16,614 thousand in 1H 2019 and were in line with the figure for 1H 2018 (EUR 16,446 thousand).

Costs for services

In the first six months of 2019, costs for services were EUR 12,895 thousand (EUR 15,314 thousand in the first six months of 2018), a decrease of EUR 2,419 thousand with respect to the same period of 2018. Note that following adoption of IFRS 16, the 2019 figure does not include lease costs, as previously pointed out (only some leases are not subject to adoption of IFRS 16 owing to their nature, amount and term).

Costs for services mainly include the costs incurred for the organisation of training courses for temporary workers, amounting to EUR 4,697 thousand for 2019, compared to EUR 5,443 thousand in 2018. The Group receives grants from Forma.Temp to fully cover the costs incurred for training, following accurate and timely reporting of said costs.

The remaining costs for services, the incidence of which on revenue (to provide a meaningful comparison prior to adoption of IFRS 16) rose slightly to 3.6% (3.3% in 1H 2018), refer mainly to the costs for tax, legal, IT and business consultancy, rental costs and fees to sources and professional advisors.

In 1H 2019, charges were recognised mainly relating to consultancy and due diligence costs for potential acquisitions of EUR 149 thousand, compared to EUR 305 thousand in 2018.

EBITDA and EBITA and respective adjusted values

In 1H 2019, EBITDA amounted to EUR 11,590 thousand, compared to EUR 11,316 thousand in the same period in 2018. Adjusted EBITDA[8] was EUR 11,739 thousand in the first six months of 2019, compared to EUR 11,621 thousand in the first six months of 2018.

Note that to make the comparison with 2018 uniform the EBITDA of the first six months of 2019 before adoption of IFRS 16 would have been EUR 9,688 thousand, and adjusted EBITDA would have amounted to EUR 9,837 thousand.

[8]Calculated as EBITDA before charges mainly relating to consultancy and due diligence costs for potential acquisitions

In 1H 2019, EBITA was EUR 7,404 thousand compared to EUR 9,670 thousand in 2018 and the adjusted EBITA[9] was EUR 7,553 thousand compared to EUR 9,975 thousand in 1H 2018.

Amortisation/depreciation

Amortisation/depreciation was EUR 2,361 thousand for the first six months of 2019, compared to EUR 406 thousand in 2018, an increase of EUR 1,955 thousand. The amortisation portion of the value of customer relations capitalised among intangible assets and goodwill, included in the amortisation value of intangible assets, amounted to EUR 22 thousand in the first six months of 2019 (as in 2018). Please note that with adoption of the IFRS 16 accounting standard, the 2019 figure included the recording of the amortisation for right of use of the assets underlying the leases for EUR 1,851 thousand, as explained above.

Impairment loss on trade receivable and other asset

Impairment loss on trade receivables and other asset in 1H 2019 totalled EUR 1,847 thousand, compared to EUR 1,262 thousand with respect to the same period of 2018. The incidence of impairment losses on total turnover reached 0.7% in the first six months of 2019 (0.4% in 2018); during the year, the ratio fell from 0.9% in the first quarter to 0.4% in the second quarter, a level at which it should stabilise.

EBIT

As a result of the above, the operating profit of the Group in 1H 2019 was equal to EUR 7,382 thousand, compared to EUR 9,648 thousand for the same period of 2018.

[9] Calculated as EBITA before charges mainly relating to consultancy and due diligence costs for potential acquisitions

Financial income and financial expense

Net financial income and expense show a negative net balance of EUR 424 thousand in 1H 2019, compared to EUR 318 thousand in the same period of 2018. Please note that with adoption of IFRS 16, the 2019 figure included the recording of financial expense on lease liabilities for EUR 108 thousand, as explained above. Note also that, after the early settlement of the previous loan, financial expense of EUR 116 thousand was recognised in the first half of 2019 for the recognition in the income statement of the costs relating to the signing of this medium/long-term loan, which had already been recognised in the financial statements as an adjustment to the value of the financial liability in accordance with the amortised cost method.

Income taxes

Income taxes for 1H 2019 totalled EUR 2,242 thousand, with a EUR 886 thousand increase compared to the same period of the previous year (EUR 3,128 thousand). The item consists of current taxes totalling EUR 2,117 thousand and refer to EUR 513 thousand for IRAP and EUR 1,604 thousand for IRES. Current taxes for 1H 2018 totalling EUR 2,789 thousand refer to IRAP of EUR 601 thousand and to IRES of EUR 2,188 thousand.

In 1H 2018, note the EUR 304 thousand for extraordinary taxes relating to a tax dispute, which was settled in the previous year.

Net Profit/(Loss) for the period and adjusted Net Profit/(Loss) for the period

As a result of the above, a net profit of EUR 4,716 thousand was recognised in 1H 2019, compared to a net profit of EUR 6,202 thousand in 1H 2018. Adjusted net profit for the period, as shown in the table below, amounted to EUR 4,927 thousand in the first six months of 2019, compared to EUR 6,742 thousand in the same period of 2018.

Adjusted profit (EUR thousand)	**1H 2019**	**1H 2018**
Profit for the period	**4,716**	**6,202**
Costs for services (costs relating to due diligence activities for potential targets)	149	305
Amortisation of customer relations included in the amount of intangible assets and goodwill	22	22
Commission release following early settlement of medium/long-term loan	116	-
Tax effect	(76)	(91)
Taxes (conciliation)	-	304
Adjusted profit for the period	**4,927**	**6,742**

Statement of Financial Position

The table below shows the Group's consolidated statement of financial position reclassified in a financial perspective as at 30 June 2019 and as at 31 December 2018.

(Amounts in thousands of EUR)					**2019/2018 Change**	
	30/06/2019	% on NIC* or Total sources	**31/12/2018**	% on NIC* or Total sources	**Value**	**%**
Intangible assets and goodwill	76,295	59.6%	76,388	62.7%	(93)	(0.1%)
Property, plant and equipment and Right of use for leases	14,624	11.4%	2,376	2.0%	12,248	515.5%
Other net non-current assets and liabilities	1,591	1.2%	1,690	1.4%	(99)	(5.9%)
Total non-current assets/liabilities	**92,510**	**72.3%**	**80,454**	**66.0%**	**12,056**	**15.0%**
Trade receivables	118,887	92.9%	115,270	94.6%	3,617	3.1%
Other assets	10,110	7.9%	7,994	6.6%	2,116	26.5%
Current tax assets	36	0.0%	34	0.0%	2	5.7%
Trade payables	(7,712)	(6.0%)	(5,677)	(4.7%)	(2,035)	35.8%
Current employee benefits	(47,800)	(37.4%)	(39,950)	(32.8%)	(7,850)	19.6%
Other liabilities	(33,374)	(26.1%)	(33,677)	(27.6%)	303	(0.9%)
Current tax liabilities	(2,782)	(2.2%)	(685)	(0.6%)	(2,097)	306.1%
Provisions for risks and current charges	(1,916)	(1.5%)	(1,947)	(1.6%)	31	(1.6%)
Net working capital	**35,449**	**27.7%**	**41,362**	**34.0%**	**(5,913)**	**(14.3%)**
Total loans - net invested capital	**127,959**	**100.0%**	**121,816**	**100.0%**	**6,143**	**5.0%**
Equity	97,748	76.4%	96,522	79.2%	1,226	1.3%
Net Financial Indebtedness (NFI)	29,097	22.7%	24,201	19.9%	4,896	20.2%
Non-current employee benefits	1,114	0.9%	1,093	0.9%	21	1.9%
Total sources	**127,959**	**100.0%**	**121,816**	**100.0%**	**6,143**	**5.0%**

* Net Invested Capital

IFRS 16 - Leases - Impacts on net financial indebtedness after adoption of the new standards

Net financial indebtedness showed a balance of EUR 29,097 thousand as at 30 June 2019. Before the adoption of the new IFRS 16 accounting standard, net financial indebtedness would have amounted to EUR 17,013 thousand. The EUR 12,084 thousand difference is due to recording lease liabilities as required by IFRS 16.

Note also that the item *Property, plant and equipment and Right of use for leases* in the previous table includes a right to use for leases of EUR 12,141 thousand as at 30 June 2019, including the value of the reclassification of the Aprilia property, already held by means of a specific finance lease agreement.

For further information, please refer to notes 1, 5 and 13 of the Condensed Interim Consolidated Financial Statements.

Intangible assets and goodwill

Intangible assets totalled EUR 76,295 thousand as at 30 June 2019, slightly down by EUR 93 thousand from 31 December 2018. They consist primarily of goodwill, customer relations, software and other intangible assets under development and payments on account.

Goodwill is attributable for EUR 45,999 thousand to acquisitions carried out before 2011 and the merger with WM S.r.l. carried out in 2007, for EUR 27,164 thousand to the acquisition and subsequent merger of Metis S.p.A. carried out in 2011, and for EUR 383 thousand to the acquisition of the subsidiary Corium S.r.l. carried out in 2013. Following the acquisition of Meritocracy S.r.l. (formerly Coverclip S.r.l.), which took place on 5 June 2018, the difference between the price paid and the shareholders' equity of the Company, net of the allocation of the specific intangible recognised in software for EUR 1,157 thousand, was allocated to goodwill, for a value of EUR 288 thousand. Lastly, following the acquisition of HC S.r.l. on 25 July 2018, the difference between the price paid and the equity of the Company was allocated to goodwill for EUR 604 thousand.

At the end of each year, the Group assesses whether goodwill recognised for a total value of EUR 74.4 million can be recovered. The impairment test on goodwill is carried out on the basis of the value in use through calculations based on projected cash flows taken from the approved five-year business plan. With reference to the financial statements for the year ended 31 December 2018, the impairment test carried out on goodwill had not resulted in the need for impairment to be recognised. The Board of Directors of Openjobmetis S.p.A., following appropriate assessments made at the time of the interim financial statements as at 30 June 2019, resolved to confirm the validity of the impairment test carried out with reference to the financial statements for the year ended 31 December 2018, as it considers that the conditions for revising the 2019-2023 Business Plan as approved are not met and that, in general, there are no indicators of impairment (trigger events) that would require an impairment test to be carried out with reference to 30 June 2019.

Trade receivables

Trade receivables as at 30 June 2019 amounted to EUR 118,887 thousand, compared to EUR 115,270 thousand as at 31 December 2018, and included trade receivables from third-party customers of EUR 124,296 thousand, recorded in the consolidated financial statements net of loss allowance of EUR 5,409 thousand (EUR 5,271 thousand as at 31 December 2018).

During 1H 2019, receivables were factored without recourse for a total amount of EUR 1,146 thousand. It should also be noted that no transfers of receivables without recourse had been carried out as at 30 June 2018 and 31 December 2018.

The days sales outstanding (DSO) granted to customers is 77 days, compared to 70 days as at 31 December 2018. Calculating the DSO only in Q2, i.e. quarterly receivables/turnover x 90 days, a 73-day DSO is obtained, aligned with previous quarters.

There are no receivables with insurance coverage.

There are no credit risk profiles for related parties.

Other assets

As at 30 June 2019, other assets totalled EUR 10,110 thousand, compared to EUR 7,994 thousand as at 31 December 2018; they primarily relate to an asset for VAT refund and an IRES credit for IRAP deduction for the years 2007-2011 of EUR 1,263 thousand (EUR 1,293 thousand as at 31 December 2018), asset due from the INPS (Italian Social Security Institution) for post-employment benefits of EUR 80 thousand (EUR 2,475 thousand as at 31 December 2018), other prepayments of EUR 5,283 thousand (EUR 921 thousand as at 31 December 2018), assets due from the tax authorities for disputes of EUR 1,143 thousand (unchanged from 31 December 2018), which was refunded in early July of this year, other disputed assets of EUR 1,095 thousand relating to an asset due from a former director of Metis S.p.A. for unjustified expenses (unchanged from 31 December 2018), and receivables from Forma.Temp of EUR 1,168 thousand (EUR 1,003 thousand as at 31 December 2018).

The item Asset due from INPS for post-employment benefits relates to the amount of post-employment benefits of terminated temporary workers, which is paid in advance by Openjobmetis S.p.A. to the worker and requested as a reimbursement from the INPS treasury, to which it had been previously paid. The change in this item as at 30 June 2019 compared to 31 December 2018 is mainly due to the seasonal nature of temporary employment, the contracts which generally terminate prior to the customer companies' closure for the holidays.

The item Other prepayments mainly refers to advanced costs for training courses for temporary workers, sponsorships, bank fees, insurance and sundry rentals.

Trade payables

As at 30 June 2019, trade payables amounted to EUR 7,712 thousand, compared to EUR 5,677 thousand as at 31 December 2018. There were no concentrations of payables due to a limited number of suppliers as at 30 June 2019.

Employee benefits

As at 30 June 2019, payables for current employee benefits totalled EUR 47,800 thousand, compared to EUR 39,950 thousand as at 31 December 2018, a EUR 7,850 thousand increase. The item mainly refers to payables for salaries and compensation due to temporary workers and company employees, in addition to the payables for post-employment benefits due to temporary workers. The increase recorded as at 30 June 2019 compared to 31 December 2018 is attributable mainly to accruals for temporary workers of additional months' pay in the first half, but not yet paid.

Given the nature of business carried out by the Group and the average duration of employment contracts with temporary workers, employee benefits represented by the post-employment benefits of temporary workers are paid periodically and were consequently regarded as current liabilities. Therefore, there was no need to make any actuarial valuation and the liability corresponds to the obligation due to temporary workers at the end of the contract.

Current tax liabilities

Current tax liabilities as at 30 June 2019 of EUR 2,782 thousand refer to tax liabilities for IRAP of EUR 616 thousand and to tax liabilities for IRES of EUR 2,166 thousand.

As at 31 December 2018, the current tax liabilities of EUR 685 thousand refers to tax liabilities for IRAP of EUR 121 thousand and to tax liabilities for IRES of EUR 564 thousand.

Other liabilities

As at 30 June 2019, other liabilities amounted to EUR 33,374 thousand, compared to EUR 33,677 thousand as at 31 December 2018. The item refers mainly to social security charges payable for EUR 22,099 thousand as at 30 June 2019 (EUR 19,415 thousand as at 31 December 2018), tax liabilities principally related to withholdings on employees' remuneration of EUR 8,970 thousand (EUR 12,628 thousand as at 31 December 2018), payables to Forma.Temp of EUR 916 thousand (EUR 629 thousand as at 31 December 2018) and other payables mainly including deferred income and salary/pension backed loans for a total of EUR 1,389 thousand (EUR 1,005 thousand as at 31 December 2018).

Equity

As at 30 June 2019, equity amounted to EUR 97,748 thousand, compared to EUR 96,522 thousand as at 31 December 2018.

Net Financial Indebtedness (NFI)

Net financial indebtedness shows a net balance of EUR 29,097 thousand as at 30 June 2019, compared to EUR 24,201 thousand as at 31 December 2018.

The table below shows the net financial indebtedness of the Group as at 30 June 2019 and as at 31 December 2018 (calculated in accordance with the provisions of Recommendation ESMA/2013/319).

	(Amounts in thousands of EUR)			**2019 vs 2018 change**	
		30/06/2019	**31/12/2018**	**Value**	**%**
A	Cash	36	29	7	24.1%
B	Other cash and cash equivalents	7,321	6,449	872	13.5%
C	Securities held for trading	-	-	-	-
D	**Cash and cash equivalents (A+B+C)**	**7,357**	**6,478**	**879**	13.6%
E	Current loan assets	-	-	-	-
F	Current bank loans and borrowings	(9,387)	(16,934)	7,547	(44.6%)
G	Current portion of non-current debt	(3,000)	(9,600)	6,600	(68.8%)

(Amounts in thousands of EUR)				2019 vs 2018 change	
		30/06/2019	31/12/2018	Value	%
H	Other current loans and borrowings	(3,384)	(12)	(3,372)	28100,%
I	**Current financial indebtedness (F+G+H)**	**(15,771)**	**(26,546)**	**10,775**	(40.6%)
J	**Net current financial indebtedness (D+E+I)**	**(8,414)**	**(20,068)**	**11,654**	(58.1%)
K	Non-current bank loans and borrowings	(11,898)	(4,096)	(7,802)	190.5%
L	Bonds issued	-	-	-	-
M	Other non-current liabilities	(8,785)	(37)	(8,748)	23643.4%
N	**Non-current financial indebtedness (K+L+M)**	**(20,683)**	**(4,133)**	**(16,550)**	400.44%
O	**Net Financial Indebtedness (J+N)**	**(29,097)**	**(24,201)**	**(4,896)**	20.2%

Please note that as regards 2019, after the IFRS 16 accounting standard was adopted, rows H and M of the table include, respectively, current lease liabilities (EUR 3,371 thousand) and non-current lease liabilities (EUR 8,713 thousand). As described above, net financial indebtedness before adoption of IFRS 16 would have shown a negative balance of EUR 17,013 thousand, with a reduction of EUR 7,188 thousand compared to 31 December 2018.

Risks related to operations

Risks related to the general operating performance

The general trend in the temporary work market is affected by a number of factors beyond the Group's control, including the general economic environment and the employment level. Demand for temporary workers is correlated with the GDP trend.

Negative economic conditions in Italy could adversely affect the demand for temporary workers and lead to a proliferation of unlawful arrangements on the labour market, with consequent negative effects on the Group's business and expected results.

Risks relating to market competition

The temporary work employment industry is highly competitive and some of the competitors are large multinationals that are able to adapt quickly to market changes and offer services at competitive prices, thanks to their financial strength, the marketing tools they can deploy and the economies of scale they can take advantage of.

Therefore, it cannot be excluded that the current structure of Openjobmetis S.p.A. will prove inadequate in this competitive environment, and that in order to maintain its competitiveness it may have to take certain initiatives that other market players have resorted to, and consequently may incur unexpected costs, with possible impacts on the Group's financial position, results of operations and cash flows.

Risks associated with changes in the national regulatory framework

Since its introduction in 2003, the temporary work employment agreement has been the subject of subsequent legislative amendments that have progressively changed the scope of application.

Within the framework of these constantly evolving regulations, however, it cannot be ruled out that future legislative measures could reduce the number of cases where the use of the temporary work employment, whether open ended or fixed-term, is allowed, or the possible future introduction of types of contracts alternative to employment.

Any changes in the legislation and/or collective bargaining schemes regarding training services may adversely affect the possibility for the Group to manage professional training courses for temporary workers, and ultimately the ability to provide companies that use temporary workers with adequate and competitive training under the same conditions as apply today, and the Group's financial position, results of operations and cash flows.

Risks to reputation and to the maintenance of Ministerial authorisations

The Group could suffer negative consequences from possible damage to its reputation in the future.

Openjobmetis S.p.A. and the Group companies Corium S.r.l. and Seltis S.r.l. conduct their business on the basis of authorisations issued by the Ministry of Labour and Social Affairs, which are mandatory for the performance of their activities.

Specifically: Openjobmetis S.p.A. conducts its business as a provider of temporary work employment by virtue of a ministerial authorisation pursuant to Article 4, paragraph 1(a) of Legislative Decree no. 276/2003; Seltis S.r.l. holds a ministerial authorisation pursuant to Article 2, paragraph 1(c) of Legislative Decree no. 276/2003, to provide personnel recruitment and selection services; Corium S.r.l. holds a ministerial authorisation pursuant to Article 2, paragraph 1(d) of Legislative Decree no. 276/2003 to provide professional outplacement support.

Over the previous years and in the current year, the Ministerial authorisations granted to Group companies were not subject to revocation or suspension. In addition, during the same period, Group companies have not received any remarks from the competent authorities, nor were they involved in proceedings in connection with the ministerial authorisations.

Although to date there is no reason to believe that the above authorisations held by Openjobmetis S.p.A., Seltis S.r.l. and Corium S.r.l. may be suspended or revoked, it cannot be excluded that this may happen in the future, including as a result of any developments in the applicable regulatory requirements, with the possible consequence that the Group's continuing operation would be compromised.

Risks associated with debt exposure and the ability to meet financial requirements

The Group uses bank loans to finance its working capital to meet its cash requirements and obligations to pay the salaries of its employees and temporary workers.

This means that any withdrawal by banks of the credit lines or facilities in place could negatively affect the Group's financial position, with the risk that, to honour its commitments, the Group may be forced to find other sources of funding - possibly at less advantageous conditions.

As at 30 June 2019, the Group's bank loans and borrowings and loans and borrowings due to other lenders amounted to approximately EUR 36,454 thousand, gross of cash and cash equivalents. The Group's debt exposure (including banks and other financial institutions) as at 31 December 2018 amounted to EUR 30,679 thousand. It should be noted that the figure as at 30 June 2019 includes lease liabilities of EUR 12,084 thousand.

With particular reference to the senior loan existing as at 30 June 2019, it should be noted that it provides for: (a) the obligation of the Company to comply with a specific financial parameter, to be calculated annually on the items of the consolidated financial statements of the Group, (b) certain non-performance events involving the right for the lenders to terminate the Loan Contract, or to withdraw therefrom and declare the Company's benefit of postponed payment to be forfeited, depending on the circumstances.

Risks associated with court and/or arbitration proceedings and the possible inadequacy of provisions for risks

As at 30 June 2019, the Group companies are party to ongoing disputes and litigation.

Considering the sector in which they operate, they are exposed to the risk of being involved in legal and/or arbitration proceedings of a labour law nature, both with reference to temporary workers and to Group employees and in relation to contracts with independent collaborators, including commercial advisors, sourcers and professional consulting firms.

Interest rate risk

100% of the Group's financial indebtedness has variable interest rates, therefore the Group could be exposed to the risks related to fluctuations in these rates. To address these risks, the Group has adopted partial hedging instruments against the risk of interest rate changes. More specifically, derivative contracts that qualify as "hedging instruments" have been concluded, aimed at transforming the variable rates applied into average fixed rates on the hedged portion of the loan, equal to 50% of the nominal value of the amortising line for the first three years. As at 30 June 2019, the average fixed rate resulting from hedging through these derivative contracts is 0.0%

It cannot be excluded that any unpredictable fluctuations in interest rates may have adverse effects on the Group's financial position.

Credit risk

The Group keeps the customer base diversified, and consequently it reduces the risks associated with debt recovery; the condensed interim consolidated financial statements as at 30 June 2019 show the Group's receivables from customers amounting to EUR 124,296 thousand, gross of the allowance for impairment of EUR 5,409 thousand. As at 31 December 2018, these gross receivables totalled EUR 120,541 thousand.

It cannot be excluded that any breach of customers' payment obligations, or the mere delay in the execution of such payments, may reduce the liquidity available to the Parent and the Group, increasing the need for additional sources of funding.

Additionally, any deterioration in the economic environment or negative market developments could have adverse effects on customer relations, compromising the possibility for the Group to recover its trade receivables, with possible negative impacts on the Group's business and on its financial position, results of operations and cash flows.

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Lastly, please note that financial risk management objectives and policies are described in the dedicated paragraphs of the Notes to the condensed interim consolidated financial statements.

Relations with subsidiaries and related parties

The relationships between Group companies and by the Group with related parties, as identified on the basis of the criteria defined in IAS 24 - Related Party Disclosures - and CONSOB (the Italian Commission for listed companies and the stock exchange) provisions issued in this regard, are mainly commercial in nature and relate to transactions carried out at arm's length.

During the meeting of 12 October 2015, the Board of Directors approved the related party transactions policy and procedure, in accordance with Article 2391-bis of the Italian Civil Code and with the "Related party transactions regulations" adopted by CONSOB with resolution no. 17221 of 12 March 2010 and subsequent amendments. The aforementioned procedure can be downloaded from the Group's website.

Relationships with Subsidiaries

Openjobmetis S.p.A., whose core business is the provision of temporary work employment, owns 100% of:

- **Seltis S.r.l.**: focused on personnel recruitment and selection for third parties;
- **Corium S.r.l.**: focused on professional outplacement support;
- **Openjob Consulting S.r.l.**: focused on supporting the Parent with payroll management tasks and training activities.
- **Meritocracy S.r.l.** (formerly Coverclip S.r.l.): focused on digital head hunting.

Furthermore, Openjobmetis S.p.A directly controls 70% of **HC S.r.l.**, an educational company.

Openjobmetis S.p.A. maintains relations with the other Group companies in matters of commercial transactions. The revenue invoiced by Openjobmetis S.p.A. to the subsidiaries relates primarily to a range of general management, accounting and administrative support, operational control, personnel management, sales management, debt collection, EDP and data processing, call centre and procurement services provided by the Parent to the other Group companies, as well as the supply of temporary workers. The revenue invoiced by Openjob Consulting S.r.l. to Openjobmetis S.p.A. pertains to the processing of temporary workers' payrolls, including the calculation and preparation of taxes and social security contributions and the processing of required periodic and annual documents. Openjobmetis S.p.A. believes that the terms and conditions of these transactions are on an arm's length basis.

Pursuant to Articles 117 to 129 of the Consolidated Income Tax Act (TUIR), agreements were signed between Openjobmetis S.p.A. and its subsidiaries Openjob Consulting S.r.l., Seltis S.r.l., Corium S.r.l. and Meritocracy S.r.l. concerning the exercise of the option of the domestic tax consolidation scheme, thus benefiting from the possibility of offsetting taxable income against tax losses in a single tax return. The three-year agreements will be tacitly renewed for the following three-year period unless they are revoked.

The following table shows the relationships between the various Group companies in the periods indicated:

Intercompany Revenue/Costs among Openjobmetis S.p.A. Group companies

(Values in EUR thousand)

Year	**1H 2019**	**1H 2018**
Revenue		
Openjobmetis vs Openjob Consulting	127	123
Openjobmetis vs Corium	7	7
Openjobmetis vs Seltis	75	56
Openjobmetis vs Meritocracy	10	0
Openjobmetis vs HC	14	0
Seltis vs Openjobmetis	0	0
Seltis vs Corium	0	0
Meritocracy vs Corium	4	0
Openjob Consulting vs Openjobmetis	585	692
Total Revenue/Costs	**822**	**878**

Intercompany Assets/Liabilities among Openjobmetis S.p.A. Group companies

(Values in EUR thousand)

Year	**30/06/2019**	**31/12/2018**
Receivables		
Openjobmetis vs Openjob Consulting	281	34
Openjobmetis vs Corium	7	0
Openjobmetis vs Seltis	264	70
Openjobmetis vs Meritocracy	10	0
Openjobmetis vs HC	14	0
Meritocracy vs Openjobmetis	51	7
Seltis vs Openjobmetis	86	0
Corium vs Openjobmetis	1	14
Openjob Consulting vs Openjobmetis	403	99
Total Assets/Liabilities	**1,117**	**224**

Remuneration of key management personnel

The total remuneration of key management personnel for the first half of 2019 amounted to EUR 760 thousand, against EUR 714 thousand for the first half of 2018.

The Board of Directors of Openjobmetis S.p.A. identified the beneficiaries of the first tranche of the 2019-2021 LTI Performance Shares Plan approved at the Shareholders' Meeting of 17 April 2019, including the Chairman of the Board of Directors Marco Vittorelli, the Managing Director Rosario Rasizza and directors and key management personnel of Openjobmetis, as well as the number of rights assigned to each beneficiary. For further information, please refer to the press release issued on 25 June 2019 by Openjobmetis S.p.A.

In addition to salaries, the Group also offers certain key management personnel benefits in kind according to the ordinary contractual practice for company managers, such as company cars, company mobiles, health and injury insurance coverage.

It should also be noted that the Board Member Rosario Rasizza, the Director Biagio La Porta and the HR Director Marina Schejola indirectly hold 5.0% through MTI Investimenti SA, of which they are shareholders respectively with 60%, 20% and 20% of the related share capital. It should also be noted that the Chairman Marco Vittorelli and the Director Corrado Vittorelli indirectly hold 17.8% through Omniafin S.p.A., of which they are shareholders with equal portions.

Other related party transactions

For details on transactions with related parties, reference is made to section 32 of the Notes to the condensed interim consolidated financial statements.

In the course of normal business, the Group has provided temporary worker supply services to other related parties for insignificant amounts and under market conditions.

Significant events in the first half of 2019 and after 30 June 2019

On 29 March, a new medium/long-term loan was granted to Openjobmetis S.p.A. by Banco BPM S.p.A., for a maximum amount of EUR 30 million. The loan envisages an amortising line for a maximum amount of EUR 15 million and a revolving line - not used as of the date of approval of this report - for a maximum amount of EUR 15 million. This revolving line can be converted up to EUR 10 million and under certain amortising conditions in order to support any acquisitions.

On 17 April 2019, the Shareholders' Meeting approved the financial statements as at 31 December 2018 and approved allocation of the profit for the year and resolved on the distribution of a unitary dividend of EUR 0.23 per each entitled share, paid, gross of the withholding taxes required to be paid starting from 8 May 2019, with coupon no. 1 to be detached on 6 May 2019 and record date (date when payment of the dividend is legitimated pursuant to Art. 83-terdecies of Italian Legislative Decree no. 58 of 24 February 1998, and Art. 2.6.6, paragraph 2, of the Regulation of the Markets Organised and Managed by Borsa Italiana S.p.A.) on 7 May 2019. Furthermore, the Shareholders' Meeting approved the "2019-2021 Performance Shares Plan" for the free assignment of rights to receive ordinary shares of the Company. In conclusion, the Shareholders' Meeting appointed - confirming the decision of the Board meeting held on 14 March 2019 - Mr. Carlo Gentili as Board Director of the Company; he will remain in office under expiry of the current Board of Directors, or rather until the date of the Shareholders' Meeting called to approve the financial statements which will close as at 31 December 2020.

On 25 June 2019, the Board of Directors of Openjobmetis S.p.A. identified the beneficiaries of the first tranche of the 2019-2021 LTI Performance Shares Plan approved by the Shareholders' Meeting of 17 April 2019, including the Chairman of the Board of Directors Marco Vittorelli, the Managing Director Rosario Rasizza and directors and key management personnel of Openjobmetis, as well as the number of rights assigned to each beneficiary. For further information, please refer to the relevant press release.

There were no significant events subsequent to 30 June 2019.

Outlook

The Company will continue to focus on services with the highest added value and on monitoring the margins of temporary work. However, the economic scenario envisaged for the second half of the year should be slightly more favourable to the temporary work market than in the first half-year.

Other information

Treasury shares

The Shareholders' Meeting called on 17 April 2018 authorised the Board of Directors to purchase and dispose of treasury shares, up to a maximum of 5% of the pro tempore share capital of Openjobmetis S.p.A., pursuant to the combined provisions of Articles 2357 and 2357-ter of the Italian Civil Code, as well as Article 132 of Italian Legislative Decree no. 58 of 24 February 1998. Subsequently, the Board of Directors meeting called on 15 May 2018 resolved to launch the buyback programme from 16 May 2018, assigning EQUITA SIM as the financial intermediary. Note that on 30 June 2019, the Company directly held 458,372 treasury shares, equating to approximately 3.34% of the share capital.

Dividend policy

On 19 February 2019, the Board of Directors of Openjobmetis S.p.A. resolved to adopt, starting from the approval of the financial statements as at 31 December 2018, a dividend policy that provides for the proposal for the average distribution of 25% of the consolidated net profit for the three-year period 2018-2020.
On 17 April 2019, the Shareholders' Meeting resolved to distribute a dividend of EUR 0.23 per share gross of the withholding taxes required to be paid starting from 8 May 2019, with coupon no. 1 to be detached on 6 May 2019 and record date (when payment of the dividend is legitimated pursuant to Art. 83-terdecies of Legislative Decree no. 58 of 24 February 1998 and Art. 2.6.6, paragraph 2, of the Regulation of the Markets Organised and Managed by Borsa Italiana S.p.A.) on 7 May 2019.

Management and coordination

In accordance with Art. 2497-bis of the Italian Civil Code, the Parent is not subject to the management and coordination of other corporate structures, as all business decisions are taken independently by the Board of Directors.

Atypical or unusual transactions

There were no income components or capital and financial items, either positive and/or negative, arising from atypical and/or unusual events and transactions in the condensed interim consolidated financial statements at 30 June 2019.

Procedure adopted to ensure the transparency and fairness of related party transactions

The Board of Directors appointed the Related Parties Committee and approved the procedure for the management of related party transactions, and has subsequently identified all the individuals and companies that, should they enter into business relations with the Group, could potentially give rise to significant transactions for the purposes of the above. The Committee has commenced its activities and reviews the transactions that are brought to its attention.

National tax consolidation scheme

Pursuant to Articles 117 to 129 of the Consolidated Income Tax Act (TUIR), agreements were signed between Openjobmetis S.p.A. and its subsidiaries Openjob Consulting S.r.l., Seltis S.r.l., Corium S.r.l. and Meritocracy S.r.l. concerning the exercise of the option of the domestic tax consolidation scheme, thus benefiting from the possibility of offsetting taxable income against tax losses in a single tax return. The three-year agreements will be tacitly renewed for the following three-year period unless they are revoked.

Amount paid to directors, statutory auditors and key management personnel

In paragraph 33 of the Notes to the condensed interim consolidated financial statements shows the compensation paid in the first half of 2019 by Openjobmetis S.p.A. and its subsidiaries to members of the governing and control bodies and other key management personnel. This includes all the individuals who have held these positions even for just part of the year.

Information pursuant to Articles 70 and 71 of the Issuers' Regulation approved by Consob Resolution No. 11971 of 14 May 1999 and subsequent amendments

The Company avails itself of the option, introduced by CONSOB with Resolution no. 18079 of 20 January 2012, to waive the obligation to make available to the public a disclosure in case of significant transactions related to mergers, demergers, share capital increases by way of contributions in kind, acquisitions and sales.

Milan, 2 August 2019

On behalf of the Board of Directors

The Chairman

(signed on the original)

Marco Vittorelli

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Statement of Financial Position

Statement of Comprehensive Income

Statement of Changes in Equity

Statement of Cash Flows

Notes to the condensed interim Consolidated Financial Statements

Statement of Financial Position

(*In thousands of EUR*)	Notes	30/06/2019	31/12/2018
ASSETS			
Non-current assets			
Property, plant and equipment	*4*	2,483	2,376
Right of use for leases	*4*	12,141	0
Intangible assets and goodwill	*5*	76,295	76,388
Financial assets	*6*	29	3
Deferred tax assets	*7*	1,562	1,687
Total non-current assets		**92,510**	**80,454**
Current assets			
Cash and cash equivalents	*8*	7,357	6,478
Trade receivables	*10*	118,887	115,270
Other assets	*11*	10,110	7,994
Current tax assets	*12*	36	34
Total current assets		**136,390**	**129,776**
Total assets		**228,900**	**210,230**
LIABILITIES AND EQUITY			
Non-current liabilities			
Financial liabilities	*13*	11,898	4,133
Lease liabilities	*13*	8,744	0
Derivative instruments	*13-30*	41	0
Employee benefits	*14*	1,114	1,093
Total non-current liabilities		**21,797**	**5,226**
Current liabilities			
Bank loans and borrowings and other financial liabilities	*13*	12,387	26,546
Lease liabilities	*13*	3,384	0
Trade payables	*15*	7,712	5,677
Employee benefits	*14*	47,800	39,950
Other liabilities	*16*	33,374	33,677
Current tax liabilities	*17*	2,782	685
Provisions	*18*	1,916	1,947
Total current liabilities		**109,335**	**108,482**
Total liabilities		**131,152**	**113,708**
EQUITY			
Share capital		13,712	13,712
Legal reserve		2,315	1,676
Share premium reserve		31,193	31,553
Other reserves		45,751	37,164
Profit (loss) for the period attributable to the owners of the Parent		4,696	12,356
Equity attributable to:			
Owners of the Parent		97,667	96,461
Non-controlling interests		81	61
Total equity	***19***	**97,748**	**96,522**
Total liabilities and equity		**228,900**	**210,230**

As from 1 January 2019, the Group adopted IFRS 16 - Leases, applying the modified retrospective approach without recalculating the comparative information. See note 1 "*IFRS 16 – Leases*" for further information. The notes are an integral part of these condensed interim consolidated financial statements.

Statement of Comprehensive Income

(*In thousands of EUR*)	Notes	1H 2019	1H 2018
Revenue	*20*	277,260	299,887
Costs of temporary work	*22*	(240,731)	(261,948)
First contribution margin		**36,529**	**37,939**
	21	5,037	5,675
Other income			
Personnel expense	*22*	(16,614)	(16,446)
Cost of raw materials and consumables	*23*	(125)	(149)
Costs for services	*24*	(12,895)	(15,314)
Amortisation/depreciation	*4.5*	(2,361)	(406)
Impairment loss on trade and other receivables	*26*	(1,847)	(1,262)
Other operating expense	*25*	(342)	(389)
Operating profit		**7,382**	**9,648**
Financial income	*27*	28	21
Financial expense	*27*	(452)	(339)
Profit before taxes		**6,958**	**9,330**
Income taxes	*28*	(2,242)	(3,128)
Profit (loss) for the period		**4,716**	**6,202**
Other comprehensive income (expense)			
Components that are or may subsequently be reclassified to profit/loss:			
Effective portion of changes in fair value of cash flow hedges		(41)	0
Components that will not be reclassified to profit/loss:			
Actuarial gain (loss) on defined benefit plans		(56)	49
Total other comprehensive income (expense) for the period		**(97)**	**49**
Total comprehensive income (expense) for the period		**4,619**	**6,251**
Profit for the period attributable to:			
Owners of the Parent		4,696	6,202
Non-controlling interests		20	0
Profit (loss) for the period		**4,716**	**6,202**
Comprehensive income (expense) for the period attributable to:			
Owners of the Parent		4,599	6,251
Non-controlling interests		20	0
Total comprehensive income (expense) for the period		**4,619**	**6,251**
Earnings (loss) per share (in EUR):			
Basic	*35*	*0.34*	*0.45*
Diluted	*35*	*0.34*	*0.45*

As from 1 January 2019 the Group adopted IFRS 16 - Leases, applying the modified retrospective approach without recalculating the comparative information. See note 1 "*IFRS 16 – Leases*" for further information. The notes are an integral part of these condensed interim consolidated financial statements.

Statement of Changes in Equity

(*In thousands of EUR*)	Note	Share capital	Legal reserve	Share premium reserve	Other reserves	Treasury shares reserve	Hedging reserve and actuarial reserve	Profit (Loss) for the period/year	Equity attributable to owners of the Parent	Equity attributable to non-controlling interests	Total Equity
Balances as at 01/01/2018	**19**	**13,712**	**1,112**	**31,553**	**29,808**	**0**	**(117)**	**12,240**	**88,308**	**0**	**88,308**
Allocation of profit (loss) for the year			**564**		**11,676**			**(12,240)**			
Actuarial gain (loss) from IAS 19 post-employment benefit valuation							**49**		**49**		**49**
Profit for the period	**19**							**6,202**	**6,202**		**6,202**
Transactions with shareholders											
Purchase of treasury shares						**(1,957)**			**(1,957)**		**(1,957)**
Total comprehensive income (expense) for the period	**19**						**49**	**6,202**	**6,251**		**6,251**
Balances as at 30/06/2018	**19**	**13,712**	**1,676**	**31,553**	**41,484**	**(1,957)**	**(68)**	**6,202**	**92,602**	**0**	**92,602**

(*In thousands of EUR*)	Note	Share capital	Legal reserve	Share premium reserve	Other reserves	Treasury shares reserve	Hedging reserve and actuarial reserve	Profit (Loss) for the period	Equity attributable to owners of the Parent	Equity attributable to non-controlling interests	Total Equity
Balances as at 01/01/2019	**19**	**13,712**	**1,676**	**31,553**	**41,138**	**(3,920)**	**(54)**	**12,356**	**96,461**	**61**	**96,522**
Allocation of profit (loss) for the year			**639**	**(360)**	**12,077**			**(12,356)**	**0**		**0**
Effective portion of changes in fair value of cash flow hedges							**(41)**		**(41)**		**(41)**
Actuarial loss from IAS 19 post-employment benefit valuation							**(56)**		**(56)**		**(56)**
Rounding					**7**				**7**		**7**
Profit (loss) for the period	**19**							**4,696**	**4,696**	**20**	**4,716**
Transactions with shareholders											
Distribution of dividends					**(3,059)**				**(3,059)**		**(3,059)**

Purchase of treasury shares						**(341)**			**(341)**		**(341)**
Total comprehensive income (expense) for the period	**19**						**(97)**	**4,696**	**4,599**	**20**	**4,619**
Balances as at 30/06/2019	**19**	**13,712**	**2,315**	**31,193**	**50,163**	**(4,261)**	**(151)**	**4,696**	**97,667**	**81**	**97,748**

As from 1 January 2019 the Group adopted IFRS 16 - Leases, applying the modified retrospective approach without recalculating the comparative information. See note 1 "*IFRS 16 – Leases*" for further information. The notes are an integral part of these condensed interim consolidated financial statements.

Statement of Cash Flows

(In thousands of EUR)	Notes	1H 2019	1H 2018
Cash flows from operating activities			
Profit for the period		4,716	6,202
Adjustments for:			
Amortisation of the right of use of leased assets	4	1,854	0
Depreciation of property, plant and equipment	4	216	253
Amortisation of intangible assets	5	291	154
Capital losses on sales of property, plant and equipment		8	37
Impairment loss on trade receivables	26, 30	1,847	1,250
Current and deferred taxes	28	2,242	3,128
Net financial expense	27	424	318
Cash flows before changes in working capital and provisions		**11,598**	**11,342**
Change in receivables and other assets gross of impairment loss	10, 11	(7,580)	(6,176)
Change in trade payables and other liabilities	15.16	1,732	4,464
Change in employee benefits	14	7,815	11,250
Change in current and deferred tax assets and liabilities net of paid taxes for the period and current and deferred taxes for the period	7	222	(166)
Change in provisions	18	(31)	(989)
Income taxes		(244)	(137)
Cash flow from operating activities (a)		**13,512**	**19,588**
Purchase of property, plant and equipment	4	(471)	(294)
Proceeds from sales of property, plant and equipment		27	15
Acquisition of subsidiary, net of cash acquired		0	(979)
Other net increases in intangible assets	5	(198)	(313)
Interest received		28	21
Change in other financial assets	6	(26)	(4)
Cash used in investing activities (b)		**(640)**	**(1,554)**
Lease payments		(1,902)	0
Interest paid		(225)	(339)
New loan disbursement	13	15,000	0
Repayment of loan instalments	13	(13,800)	(4,731)
Dividend distribution		(3,059)	0
Purchase of treasury shares	19	(341)	(1,957)
Change in short-term bank loans and borrowings and other short-term liabilities		(7,666)	(9,093)
Cash and cash equivalents generated/(absorbed) by financing activities (c)		**(11,993)**	**(16,120)**
Cash flows from the period (a) + (b) + (c)	**8**	**879**	**1,914**
Opening net cash and cash equivalents as at 1 January	**8**	**6,478**	**4,662**
Closing net cash and cash equivalents as at 30 June	**8**	**7,357**	**6,576**

As from 1 January 2019, the Group adopted IFRS 16 - Leases, applying the modified retrospective approach without recalculating the comparative information. See note 1 "*IFRS 16 – Leases*" for further information. The notes are an integral part of these condensed interim consolidated financial statements.

Notes to the condensed interim consolidated financial statements

General information

Openjobmetis S.p.A. (hereinafter also the “Company”) is based in Italy, Via G. Fara 35, Milan.

The Group operates in the sector of temporary work employment i.e. the professional supply of permanent or fixed-term labour, pursuant to Article 20 of Legislative Decree no. 276/2003 as amended and supplemented, pursuant to Article 4, paragraph 1, letter 9 of the same Legislative Decree.

As from 3 December 2015 Openjobmetis S.p.A. has been listed on the STAR segment of the online stock exchange (MTA) organised and operated by Borsa Italiana S.p.A.

At the present date, the Company is not a subsidiary in accordance with Article 93 of the Consolidated Law on Finance (TUF).

Accounting standards and basis of presentation adopted in preparing the condensed interim consolidated financial statements

1. Basis of presentation, accounting standards and statement of compliance

The Group's Interim Financial Report as at 30 June 2019 has been prepared in accordance with the provisions of Article 154-ter, paragraph 2, of Legislative Decree no. 58/97 (TUF), as amended.

These condensed interim consolidated financial statements included in the Interim Financial Report, were prepared in accordance with “IAS 34 Interim Financial Reporting” and consist of the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and Notes to the condensed interim consolidated financial statements. They do not contain all the information and notes required for the annual financial statements and must therefore be read in conjunction with the consolidated financial statements as at 31 December 2018. Though not all information required for a complete financial statements disclosure is provided, specific explanatory notes are included to explain events and transactions that are important to understanding the changes in the Group’s financial position and performance since the last annual report.

These condensed interim consolidated financial statements have been prepared on a going concern basis since the Directors have verified the absence of financial, operational or other types of indicators that can indicate critical issues regarding the Group's ability to meet its obligations in the foreseeable future and in particular in the next 12 months.

In the preparation of these condensed interim consolidated financial statements, the same accounting standards, consolidation principles and measurement criteria were applied, except where specified below, as were used in the preparation of the consolidated financial statements as at 31 December 2018, to which reference should be made.

These are the first set of financial statements of the Group where IFRS 16 has been applied. Significant changes in accounting policies are described below. The changes in accounting standards will also have an effect on the Group's consolidated financial statements for the year ending 31 December 2019.

The condensed interim consolidated financial statements as at 30 June 2019 of the Openjobmetis S.p.A. Group were approved and authorised for issue by the Board of Directors on 2 August 2019. Publication will be made within the time limits prescribed by law.

All amounts are expressed in thousands of Euros, unless otherwise indicated.

These condensed interim consolidated financial statements were reviewed by KPMG S.p.A.

New accounting standards adopted by the Group from 1 January 2019

The Group adopted IFRS 16 Leases starting from 1 January 2019. The other new standards applicable from 1 January 2019 had no significant effect on the Group's consolidated financial statements.

IFRS 16 - Leases

IFRS 16 redefines the way in which lease agreements are recognised. The standard replaces IAS 17 "Leases", as well as IFRIC 4 "Determining Whether an Arrangement Contains a Lease", SIC 15 "Operating Leases - Incentives" and SIC 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease".

IFRS 16 introduces a single lessee accounting model for requiring, as a general rule, the recognition under assets of the right of use of the underlying asset and under liabilities of the lease liability. There are exceptions to the application of IFRS 16 for short-term leases and for low-value assets.

The Group recognised new assets and liabilities mainly for its operating leases on properties used as headquarters and in which branches operate, company cars and IT equipment. The nature of the costs relating to the above mentioned leases consequently changed since the Group amortised right-of-use assets, posting the interest expense on lease liabilities.

The Group applied IFRS 16 using the modified retrospective approach and therefore the cumulative effect of the adoption of IFRS 16 was recognised as at 1 January 2019, recognising further right-of-use assets and other lease liabilities. Therefore, comparative information was not restated, i.e. it is presented in accordance with IAS 17 and related interpretations.

Previously, the Group determined at the inception of the contract whether the contract was - or contained - a lease in accordance with IFRIC 4 *Determining whether an arrangement contains a lease*. In accordance with IFRS 16, the Group assesses whether the contract is a lease or contains it on the basis of the new definition of a lease. Under IFRS 16, the contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the inception of the contract or on the date of reassessment of a contract that contains a lease component, the Group allocates the consideration payable to each lease and non-lease component on the basis of the relative stand-alone prices. However, in the case of car leases in which it acts as a lessee, the Group decided not to separate non-lease components from lease components and to account for lease and non-lease components as a single component.

As a lessee, the Group previously classified leases as operating or financial, assessing whether the lease transferred substantially all the risks and rewards incidental to ownership. Under IFRS 16, the Group recognises in its Statement of Financial Position the right-of-use assets and the lease liabilities for the majority of leases.

However, the Group decided not to recognise right-of-use assets and liabilities relating to the lease of low-value assets, including IT equipment. Therefore, the Group recognises the lease payments relating to the above-mentioned leases as an expense on a straight-line basis over the lease term.

The Group shows the right-of-use assets that do not meet the definition of investment property in the specific item "Right of use for leases" and the lease liabilities in the item "Financial liabilities for leases" that have been included in the statement of financial position compared to 30 June and

31 December 2018.

At the inception of the lease, the Group recognises the right-of-use asset and the lease liability. The right-of-use asset is measured at cost, and subsequently at cost less accumulated depreciation and accumulated impairment, and adjusted to reflect the revaluations of the lease liability.

The Group measures the lease liability at the present value of the lease payments not paid at the inception date, discounting them using the interest rate implicit in the lease. Where it is not possible to determine this rate easily, the Group uses the incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest accrued on this liability and decreased by the payments due for the lease made and is remeasured in the event of a change in future lease payments resulting from a change in an index or a rate, in the event of a change in the amount expected by the Group to be payable under residual value guarantees or when the Group changes its assessment with reference to whether it will exercise a purchase, extension or termination option.

The Group estimated the lease term of certain contracts in which it acts as a lessee and that provide for renewal options. The Group's assessment of whether or not there is a reasonable certainty of exercising the option affects the estimate of the lease term, significantly impacting the amount of lease liabilities and right-of-use assets recognised.

Previously, the Group recognised leases on properties used as headquarters and in which branches operate, on company cars and IT equipment as operating leases in accordance with IAS 17. In general, real estate leases have a term of six years and contain an option to renew for a further six years exercisable at the end of the binding period, while car leases have a term of three or four years and do not contain an option to renew. Real estate leases generally involve additional payments related to changes in local price indices.

At the date of initial application, in the case of operating leases in accordance with IAS 17, lease liabilities were determined at the present value of residual lease payments, discounted using the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured based on the value of the lease liability adjusted by the amount of any advance or accumulated payments due under the lease.

The Group leases an office building that was classified as a finance lease under IAS 17. For such leases, the carrying amount of the right-of-use assets and of the lease liability as at 1 January 2019 corresponds to the carrying amount of the leased asset and the lease liability under IAS 17 immediately before that date.

In order to apply the modified retrospective approach to the operating leases indicated above, the Group adopted a practical expedient that allows it to rely on the experience acquired in determining the lease term.

The following tables summarise the effects of the application of IFRS 16 as at 1 January 2019.

(In thousands of EUR)	
Right-of-use assets	11,995
Lease liabilities	11,995

Based on the above, there were no effects on profits carried forward of the shareholders' equity of the Group as at 1 January 2019 from the application of IFRS 16.

When calculating the lease liabilities classified as operating leases, the Group discounted the lease payments using the incremental borrowing rate of interest as at 1 January 2019. The weighted average rate applied is 1.77%.

(In thousands of EUR)	
Commitments arising from operating leases as at 31 December 2018, as presented in the Group's financial statements	11,172
Discounted using the incremental borrowing rate of interest as at 1 January 2019 (a)	10,686
Finance lease liabilities recognised as at 31 December 2018 (b)	49
Exemption from recognition for leases of low-value assets (c)	(131)
Option to extend a lease, the operation of which is reasonably certain (d)	1,440
Lease liabilities recognised as at 1 January 2019 (a+b+c+d)	**12,044**

Following the first-time application of IFRS 16 to leases previously classified as operating leases, the Group recognised right-of-use assets and lease liabilities of EUR 12,027 thousand and EUR 12,084 thousand, respectively, as at 30 June 2019, in addition to reclassifying the contract for the Aprilia property, already held by means of a finance lease agreement in previous years.

Moreover, in relation to leases recognised in accordance with IFRS 16, the Group recognised depreciations and interests in place of costs for operating leases. During the six-month period ended 30 June 2019, the Group recorded amortisation/depreciations and financial expense of EUR 1,851 thousand and EUR 108 thousand, respectively.

Use of estimates

While preparing these condensed interim consolidated financial statements, Group management had to formulate valuations and estimates that affect the application of the accounting policies and the amounts of assets, liabilities, costs and revenue recognised in the financial statements; however, note that, since these are estimates, the results achieved will not necessarily be the same as the results shown in the condensed interim consolidated financial statements.
The main subjective assessments made by the Group management in applying the Group's accounting standards and the main sources of uncertainty in estimates were the same as those applied for the preparation of the consolidated financial statements for the year ended 31 December 2018, with the exception of the new assessments relating to the application of IFRS 16, described in the previous note.

The determination of possible impairment losses on non-current assets is generally carried out in full only when preparing the annual financial statements, when all the necessary information is available, except in cases where there are impairment indicators that require an immediate assessment of possible impairment losses.

Income taxes are recognised on the basis of a best estimate of the rate expected for the full financial year.

Subsidiaries and consolidation scope

Subsidiaries are companies controlled by the Group, or for which the Group is exposed to variable returns deriving from its relationship with the entity, or has claims over those returns, while having the ability to affect them by exercising its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the time when the parent starts to exercise control until the time when this control ends. Where necessary, the accounting policies of subsidiaries were changed to align them with the Group’s accounting policies.

The subsidiaries as at 30 June 2019 and 31 December 2018 are shown below:

Company name	% held as at 30/06/2019	Registered office	Share capital
Openjob Consulting S.r.l.	100%	Gallarate, Via Marsala 40/C	EUR 100,000
Seltis S.r.l.	100%	Milan, Via G. Fara 35	EUR 110,000
Corium S.r.l.	100%	Milan, Via G. Fara 35	EUR 32,000
Meritocracy S.r.l.	100%	Milan, Via G. Fara 35	EUR 25,000
H.C. S.r.l.	70%	Milan, Via G. Fara 35	EUR 10,000

Company name	% held as at 31/12/2018	Registered office	Share capital
Openjob Consulting S.r.l.	100%	Gallarate, Via Marsala 40/C	EUR 100,000
Seltis S.r.l.	100%	Milan, Via G. Fara 35	EUR 110,000
Corium S.r.l.	100%	Milan, Via G. Fara 35	EUR 32,000
Meritocracy S.r.l.	100%	Milan, Via G. Fara 35	EUR 25,000
H.C. S.r.l.	70%	Milan, Via G. Fara 35	EUR 10,000

2. Financial Risk Management

The Group is exposed to the following risks arising from the use of financial instruments:

- credit risk;
- liquidity risk;
- interest rate risk.

This section provides information on the Group's exposure to each of the above risks, the objectives, policies and processes for managing those risks and the methods used to measure them, as well as the management of the Group's capital.

The Board of Directors of Openjobmetis S.p.A. is responsible for creating and overseeing the Group's risk management system.

The purpose of the risk management policies of the Group is to identify and analyse the risks to which it is exposed, establish proper limits, and control and monitor the risks and the observance of such limits. These policies and related systems are revised regularly to reflect any changes in the market conditions and the Group's activities. Through training, standards and management procedures, the Group aims to create a regulated and constructive control environment in which its employees are aware of their roles and responsibilities.

(i) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will cause a financial loss by failing to discharge an obligation, and mainly derives from the Group's trade receivables.

The Group's exposure to credit risk mainly depends on the specific characteristics of each customer. The Group's customer portfolio consists of many customers, and does not show significant levels of concentration in a few customers. The main type of customer consists of medium-small sized companies, operating in almost all sectors. There is no strong geographic concentration of credit; part of it is mainly located in the regions of central and northern Italy. Any deterioration in the general economic environment or negative credit market developments could have adverse effects on customer relations, compromising the possibility for the Group to recover its trade receivables and influencing the management of working capital.

The Group keeps the customer base diversified, and consequently it reduces the risks associated with debt recovery.

Before supplying temporary workers, a proper evaluation procedure is carried out envisaging that the creditworthiness of each new customer must be analysed individually before offering the standard conditions in terms of payment and supply. This analysis also includes external assessments, where available, and, in some cases, banking information. Supply limits, representing the maximum credit line beyond which the direct approval of the Management is required, are established for each customer.

The overall amount due from customers mainly consists of the total expense of the temporary worker's remuneration, which in addition to the elements of normal remuneration as per the National labour agreement of reference, also includes remuneration accrued but not paid (thirteenth month and fourteenth month pay, holidays plus any other element), the margin and VAT calculated only on the margin of the Group.

The breakdown of macro items making up the amount of a trade receivable involves a different degree of legal credit protection. In fact, in case of customer bankruptcy, only the portion of receivable representing the remuneration of the temporary worker is secured during repayment.

(ii) Liquidity risk

Liquidity risk is the risk that the Group has difficulty in meeting the obligations related to financial liabilities. The approach of the Group to liquidity management is to ensure, as much as possible, that there are always sufficient funds to fulfil its obligations when due, both in normal conditions and during financial tension, without having to bear excessive costs or run the risk of damaging its reputation.

Generally, the Group makes sure that there are cash and cash equivalents on demand sufficient for covering expected operating costs for a period of 60 days, including those relating to liabilities represented by "Temporary Worker Benefits" and to related social security contribution liabilities.

Moreover, the Group has the following credit lines:

- EUR 15 million of revolving credit lines, at an average interest rate equal to the 6-month Euribor plus 1.65%, subject to compliance with a financial covenant as described below;
- EUR 98 million of credit lines that can be used against presentation of short-term trade receivables, generally at a variable rate linked to the Euribor.

As described below, the Group is subject to compliance with the financial covenant included in the New Loan and calculated on the Group's consolidated financial statements once a year.

The New Loan existing as at 30 June 2019, provides for certain non-performance events involving the right for the lenders to terminate the Loan Contract, or to withdraw therefrom and declare the Company's benefit of postponed payment to be forfeited, as the case may be.

Moreover, the Group has the following financial guarantees in place:

(*In thousands of* EUR)

Beneficiary	***Type***	**30 June 2019**	**31 December 2018**	**Change**
Ministry of Labour	Authorisation pursuant to Italian Legislative Decree no. 276	29,277	28,808	469
Third Parties	Sureties for participating in tenders	147	115	32
Third Parties	Sureties for leases	700	665	35
Third Parties	Other	51	164	(113)
Total		**30,175**	**29,752**	**423**

Guarantees given in favour of the Ministry of Labour refer to the legal requirement to issue appropriate guarantees for the amount due to workers employed on temporary employment contracts.

Sureties for leases refer to guarantees given in favour of various owners of the buildings in which the head office of the Group and some branches are located.

(iii) Interest rate risk

The Group's financial indebtedness has variable interest rates; therefore, the Group could be exposed to the risks associated with interest rate fluctuations.

During the year, a derivative contract hedging the risk of fluctuations in interest rate were put in place with reference to part of the financial liabilities of the New Loan.

3. Acquisitions of subsidiaries and non-controlling interests

The original goodwill of EUR 45,999 thousand generated as from 1 July 2007 mainly refers to the skills and technological know-how of Openjob S.p.A. Group personnel (with particular reference to Openjob S.p.A., In Time S.p.A. and Quandoccorre S.p.A.) acquired in June 2007 by WM S.r.l., which was subsequently the subject of a reverse merger into Openjob S.p.A.

Moreover, during this business combination, the value of the customer relations of Openjob S.p.A. and of the subsidiary Intime S.p.A. was reported for EUR 2,472 thousand and EUR 1,390 thousand, respectively, on the basis of an appraisal drawn up by an independent expert.

Following the acquisition and subsequent merger of Metis S.p.A. on 31 December 2011, due to elimination of the carrying amount of the equity investment of EUR 34.9 million against the related equity on the date of acquisition of 31 March 2011, amounting to EUR 7,795 thousand (IFRS carrying amount before the acquisition EUR 6,835 thousand) expressed in present values (i.e. after recognising customer relations of EUR 1,400 thousand and related deferred tax liabilities), a merger deficit was generated, entirely allocated to goodwill, of EUR 27,164 thousand.

Furthermore, following the acquisition in January 2013 of Corium S.r.l. for EUR 477 thousand (adjusted equity on the date of acquisition of approximately EUR 94 thousand), goodwill of EUR 383 thousand was recognised.

Following the acquisition of Meritocracy S.r.l., which took place on 5 June 2018, the difference between the price paid and the shareholders' equity of the Company, net of the allocation of the specific intangible asset recognised, was allocated to goodwill for EUR 288 thousand.

Following the acquisition of H.C. S.r.l. on 5 June 2018, the difference between the price paid and the equity of the Company was allocated to goodwill for EUR 604 thousand.

4. Property, plant and equipment and Right of use for leases

The following tables show the changes in the item property, plant and equipment:

(In thousands of EUR)	**Land and buildings**	**Plant and equipment**	**Other items of property, plant and equipment**	**Other Assets**	**Leasehold improvements**	**Total**
Cost:						
Balances as at 1 January 2018	**1,862**	**851**	**3,630**	**109**	**182**	**6,634**
Increases	0	85	564	0	0	649
Decreases	0	18	98	3	3	122
Companies acquired	0	0	76	0	0	76
Balances as at 31 December 2018	**1,862**	**918**	**4,172**	**106**	**179**	**7,237**
Depreciation impairment losses:						
Balances as at 1 January 2018	**751**	**549**	**2,743**	**109**	**182**	**4,334**
Increases	55	89	430	0	0	574
Decreases	0	15	51	3	3	72
Companies acquired	0	0	25	0	0	25
Balances as at 31 December 2018	**806**	**623**	**3,147**	**106**	**179**	**4,861**
Carrying amounts:						
As at 1 January 2018	**1,111**	**302**	**887**	**0**	**0**	**2,300**
As at 31 December 2018	**1,056**	**295**	**1,025**	**0**	**0**	**2,376**

(In thousands of EUR)	**Land and buildings**	**Plant and equipment**	**Other items of property, plant and equipment**	**Leasehold improvements**	**Total**
Cost:					
Balances as at 1 January 2019	**1,862**	**918**	**4,278**	**179**	**7,237**
Increases	0	36	433	2	471
Decreases	0	0	56	0	56
Reclassification	(181)	0	0	0	(181)
Balances as at 30 June 2019	**1,681**	**954**	**4,655**	**181**	**7,471**
Depreciation impairment losses:					
Balances as at 1 January 2019	**806**	**623**	**3,253**	**179**	**4,861**

(In thousands of EUR)	Land and buildings	Plant and equipment	Other items of property, plant and equipment	Leasehold improvements	Total
Increases	27	40	149	0	216
Decreases	0	0	21	0	21
Reclassification	(68)	0	0	0	(68)
Balances as at 30 June 2019	**765**	**663**	**3,381**	**179**	**4,988**
Carrying amounts:					
As at 1 January 2019	**1,056**	**295**	**1,025**	**0**	**2,376**
As at 30 June 2019	**916**	**291**	**1,274**	**2**	**2,483**

Land and buildings

The item includes buildings in the province of Udine, Brescia and Rodengo Saiano (BS). The Aprilia building, already held by means of specific finance lease agreement, was reclassified under the item "Right of use for leases". At the end of the lease agreement, the Group will be able to purchase the building at a previously established redemption price.

In 2008, following the business combination, the amount of EUR 501 thousand was recognised related to the greater value of the buildings based on the appraisal provided by an independent expert; this greater value, mainly related to the building in Rodengo Saiano (BS), has not undergone significant changes since the last time the appraisal was updated.

Plant and equipment

The Group has some non-current assets mainly related to equipment, plant and furniture at the Branches.

Other items of property, plant and equipment

The item mainly includes electronic office machines, furniture and fittings, illuminated signs and motor vehicles.

The following table shows the changes in the item rights of use for leases:

(In thousands of EUR)	Motor vehicles	Property	Other fixed assets	Total
Cost:				
Balances as at 1 January 2019	**1,743**	**10,171**	**81**	**11,995**
Increases	945	942	0	1,887

(In thousands of EUR)	Motor vehicles	Property	Other fixed assets	Total
Decreases	62	15	0	77
Reclassification	0	181	0	181
Balances as at 30 June 2019	**2,626**	**11,279**	**81**	**13,986**
Depreciation impairment losses:				
Balances as at 1 January 2019	**0**	**0**	**0**	**0**
Increases	567	1,267	20	1,854
Decreases	62	15	0	77
Reclassification	0	68	0	68
Balances as at 30 June 2019	**505**	**1,320**	**20**	**1,845**
Carrying amounts:				
As at 1 January 2019	**1,743**	**10,171**	**81**	**11,995**
As at 30 June 2019	**2,121**	**9,959**	**61**	**12,141**

Motor vehicles

This item mainly includes vehicles assigned to personnel under lease agreements. The increases represent the new agreements signed during the half-year.

Property

This item mainly includes property owned by the Group's head office and operating branches under lease agreements. The increases refer to new lease agreements signed during the first half-of the year following the opening of new branches and the renewal of existing agreements concluded during the period.

Other fixed assets

This item mainly includes electronic equipment held by the Group under lease agreements.

5. Intangible assets and goodwill

The following tables show the changes in this item:

(In thousands of EUR)	Goodwill	Customer relations	Software	Research and development costs	Trademarks	Assets under development and payments on account	Total
Cost:							
Balances as at 1 January 2018	**73,546**	**8,152**	**2,046**	**0**	**0**	**0**	**84,104**
Increases	892	0	155	0	10	45	1,102
Decreases	0	0	0	0	0	0	0

(In thousands of EUR)	Goodwill	Customer relations	Software	Research and development costs	Trademarks	Assets under development and payments on account	Total
Companies acquired	0	0	1,157	126	0	0	1,283
Balances as at 31 December 2018	**74,438**	**8,152**	**3,718**	**126**	**10**	**45**	**86,489**
Amortisation and impairment losses:							
Balances as at 1 January 2018	**0**	**8,019**	**1,613**	**0**	**0**	**0**	**9,632**
Increases	0	44	337	11	0	0	392
Decreases	0	0	0	0	0	0	0
Companies acquired	0	0	7	70	0	0	77
Balances as at 31 December 2018	**0**	**8,063**	**1,957**	**81**	**0**	**0**	**10,101**
Carrying amounts:							
As at 1 January 2018	**73,546**	**133**	**793**	**0**	**0**	**0**	**74,472**
As at 31 December 2018	**74,438**	**89**	**1,761**	**45**	**10**	**45**	**76,388**

(In thousands of EUR)	Goodwill	Customer relations	Software	Research and development costs	Trademarks	Assets under development and payments on	Total
Cost:							
Balances as at 1 January 2019	**74,438**	**8,152**	**3,718**	**126**	**10**	**45**	**86,489**
Increases	0	0	50	0	80	68	198
Decreases	0	0	0	0	0	0	0
Balances as at 30 June 2019	**74,438**	**8,152**	**3,768**	**126**	**90**	**113**	**86,687**
Amortisation and impairment losses:							
Balances as at 1 January 2019	**0**	**8,063**	**1,957**	**81**	**0**	**0**	**10,101**
Increases	0	22	257	12	0	0	291
Decreases	0	0	0	0	0	0	0
Balances as at 30 June 2019	**0**	**8,085**	**2,214**	**93**	**0**	**0**	**10,392**
Carrying amounts:							
As at 1 January 2019	**74,438**	**89**	**1,761**	**45**	**10**	**45**	**76,388**
As at 30 June 2019	**74,438**	**67**	**1,554**	**33**	**90**	**113**	**76,295**

Goodwill

At the end of each year, the Group assesses whether goodwill recognised for a total value of EUR 74.4 million can be recovered. The impairment test on goodwill is carried out on the basis of the value in use through calculations based on projected cash flows taken from the approved five-year business plan. With reference to the financial statements for the year ended 31 December 2018, the impairment test carried out on goodwill had not resulted in the need for impairment to be recognised. The Board of Directors of Openjobmetis S.p.A., following appropriate assessments made at the time of the interim financial statements as at 30 June 2019, resolved to confirm the validity of the impairment test carried out with reference to the financial statements for the year ended 31 December 2018, as it considers that the conditions for revising the 2019-2023 Business Plan as approved are not met and that, in general, there are no indicators of impairment (trigger events) that would require an impairment test to be carried out with reference to 30 June 2019 With regard to the formation of goodwill, reference should be made to Note 3.

Customer relations

The item Customer relations includes the value attributed to customer relations of the former Openjob S.p.A. (historical cost of EUR 2,472 thousand) and of Intime S.p.A. (historical cost of EUR 1,390 thousand), as identified by the appraisal prepared by an independent expert. The customer relations were considered representative of the intangible asset that makes a significant as well as specifically identifiable contribution to the Group's result. In particular, the "excess earning method" was used to calculate it on the basis of which the income attributed to customer relations was obtained by deducting from the expected cash flows over the time horizon that defines the economic life of the intangible asset itself, defined below, the remuneration for the use of other items of property, plant and equipment and intangible assets that form the Group's result. Therefore, these cash flows were discounted at a rate of 9.97% deemed consistent with the risk profile attributable to the intangible asset in question. Its remaining useful economic life was identified as 7.5 years starting from the date of the estimate with reference to 30 June 2007. The item increased in 2009 and 2010 (a total of EUR 2,690 thousand) for the acquisition of the business unit of J.O.B. S.p.A. consisting mainly of contracts in progress on the date of acquisition. Consequently, the amount paid was considered mainly due to customer relations at the date of acquisition and was therefore recognised under Customer Relations. The useful life is deemed to be similar to the Customer Relations identified previously and therefore it is amortised over 7.5 years. The item increased again (EUR 1,400 thousand) in 2011 due to the acquisition of Metis S.p.A.: in this specific case, the value identified by the appraisal prepared by an independent expert, with the same criteria previously used, is amortised over 4.5 years. Lastly, on 1 July 2016, the historic cost was increased by EUR 200 thousand following the purchase of the "Noi per Voi S.r.l." customer database, and is amortised over 4.5 years.

Software

The item Software refers to the operating and management programmes acquired by the Group. The project to develop the Databook software, dedicated to supporting operational processes and exchanges of information regarding the activities of the Employment Agency, was completed towards the end of 2016 and the costs have subsequently been reclassified to software. The application is amortised from 2017. On the basis of the appraisal prepared by a professional independent expert, the fair value of the platform owned by Meritocracy, equal to EUR 1,157 thousand, was accounted for and the useful life was reasonably assumed to be five years.

Assets under development

Assets under development and payments on account as at 30 June 2019 relate to costs incurred for the development of a software interface between Databook and the CRM Salesforces, which will be rolled out during the second half of 2019 and will consequently be reclassified to software.

6. Non-current financial assets

This item mainly consists of guarantee deposits paid for utilities of the registered office and the Branches.

7. Deferred tax assets and liabilities

Deferred tax assets and liabilities refer to the following items:

(In thousands of EUR)	**Assets**		**Liabilities**		**Net**	
	30/06/2019	**31/12/2018**	**30/06/2019**	**31/12/2018**	**30/06/2019**	**31/12/2018**
Property, plant and equipment	0	0	173	176	(173)	(176)
Intangible assets	2	6	274	307	(272)	301
Employee benefits	1	0	0	5	1	(5)
Provisions	364	372	0	0	364	372
Loss allowance	1,212	1,108	0	0	1,212	1,108
Costs with deferred deductibility	340	508	0	0	340	508
Listing costs	90	181	0	0	90	181
Total	**2,009**	**2,175**	**447**	**488**	**1,562**	**1,687**

Temporary differences between the tax base of assets and liabilities and their carrying amounts were not excluded from the calculation of deferred taxes.

There are no tax losses that can be carried forward for which deferred tax assets can be recognised. Tax assets and liabilities are measured using the tax rates that are expected to be applicable in the period in which the asset or the liability to which they refer will be realised or discharged, respectively, on the basis of tax rates established by measures in force.

Changes in net deferred tax assets and liabilities were as follows:

(In thousands of EUR)	**Balance as at 31 December 2018**	**Changes in profit or loss**	**Balance as at 30 June 2019**
Property, plant and equipment	(176)	3	(173)
Intangible assets	(301)	29	(272)
Employee benefits	(5)	6	1
Provisions	372	(8)	364
Trade receivables and other assets	1,108	104	1,212
Costs with deferred deductibility	508	(168)	340
Listing costs	181	(91)	90
Total	**1,687**	**(125)**	**1,562**

8. Cash and cash equivalents

The item includes the credit balance of bank and postal deposits and cash in hand.

(In thousands of EUR)	**30/06/2019**	**31/12/2018**	**Change**
Bank and postal deposits	7,321	6,449	872
Cash in hand and cash equivalents	36	29	7
Total cash and cash equivalents	**7,357**	**6,478**	**879**

With reference to the net financial indebtedness, as defined in Consob Communication no. 6064293, please refer to note 13 below.

9. Other short-term financial assets

There are no short-term financial assets.

10. Trade receivables

The item is made up as follows:

(In thousands of EUR)	**30/06/2019**	**31/12/2018**	**Change**
From third-party customers	124,296	120,541	3,755
Loss allowance	(5,409)	(5,271)	(138)
Total trade receivables	**118,887**	**115,270**	**3,617**

As at 30 June 2019 and 31 December 2018, there were no trade receivables factored with recourse. Total receivables are mainly related to Italian customers, there are no receivables in currencies other than the Euro. At the reporting dates, there was no concentration of receivables from a limited number of customers.

It should be noted that as at 30 June 2019 the Group had outstanding factoring transactions without recourse, as better specified in the directors' report.

The item is recorded in the consolidated financial statements net of a loss allowance of EUR 5,409 thousand.

An analysis of the DSO shows that the extension days granted on average to customers increased to 77 days, unchanged compared with the figure as at 31 December 2018. By calculating the DSO only in the second quarter, i.e. receivables/quarterly revenue x 90 days, a DSO of 73 days is achieved, substantially equal to the same period of the previous year.

Reference is made to note 30 (a) "Impairment losses" for further information about the analysis of trade receivables exposure at the reporting date.

11. Other assets

The item is made up as follows:

(In thousands of EUR)	**30/06/2019**	**31/12/2018**	**Change**
Assets due for refunding of VAT and IRES on 2007-2011 IRAP	1,263	1,293	(30)
Assets due from the INPS treasury funds for post-employment benefits	80	2,475	(2,395)
Prepayments	5,283	921	4,362
Other disputed assets	1,095	1,095	0
Assets due from Forma.Temp	1,168	1,003	165
Assets due from tax authorities for settled disputes	1,143	1,143	0
Other sundry assets	78	64	14
Total other receivables	**10,110**	**7,994**	**2,116**

The change in the amount due from the INPS treasury fund for post-employment benefits is mainly due to the seasonal nature of temporary work employment, the contracts which generally terminate prior to the customer companies' closure for the holidays.

The item Other disputed assets refers to the receivable from a former Director of Metis who left office in 2009; the Provisions for risks reflect the considerations made for this litigation.

Prepayments as at 30 June 2019 of EUR 5,283 thousand mainly refer to advance costs relating to the provision of training courses for temporary workers yet to be completed that will qualify for the Forma.Temp recognition in the following months, as well as bank fees and insurance.

The item Assets due from tax authorities for settled disputes refers to the amounts paid following the assessment notices, which were refunded in early July of this year.

12. Current tax assets

As at 30 June 2019, the current income tax assets amounted to EUR 36 thousand and refer to the assets due from tax authorities for IRAP of EUR 16 thousand and tax assets for IRES of EUR 20 thousand. As at 31 December 2018, current income tax assets amounted to EUR 34 thousand and referred to a receivable from tax authorities for IRAP.

13. Bank loans and borrowings and other financial liabilities

This note illustrates the contractual conditions that regulate the Group's financial liabilities. For further information on the Group's exposure to interest rate risk, reference is made to note 30.

(In thousands of EUR)	**30/06/2019**	**31/12/2018**	**Change**
Non-current liabilities:			
Tranche A Senior Loan	0	4,096	(4,096)
Line A New Loan	11,898	0	11,898
Lease liabilities	8,744	37	8,707
Derivative instruments	41	0	41
Total non-current liabilities	**20,683**	**4,133**	**16,550**
Current liabilities			
Tranche A Senior Loan	0	9,600	(9,600)
Line A New Loan	3,000	0	3,000
Unsecured bank loans and borrowings	9,387	16,934	(7,547)
Lease liabilities	3,384	12	3,372
Total current liabilities	**15,771**	**26,546**	**(10,775)**
Total current and non-current liabilities	**36,454**	**30,679**	**5,775**

In March 2019, a medium to long-term amortising loan of EUR 15 million was subscribed and issued, which envisages a revolving credit line of EUR 15 million not used on the date of approval of the condensed interim consolidated financial statements.

The contractual conditions of bank loans and borrowings and other financial liabilities, excluding financial instruments, are set below:

(In thousands of EUR)				**30 June 2019**		**31 December 2018**	
	Curr.	**Nominal interest rate**	**Year of maturity**	**Nominal amount**	**Carrying amount**	**Nominal amount**	**Carrying amount**
Tranche A Senior Loan	EUR	Euribor	-	0	0	13,800	13,696
Line A New Loan	EUR	Euribor*	2024	15,000	14,898	0	0
Non-guaranteed bank loans and borrowings	EUR	0.2%**	-	9,387	9,387	16,934	16,934
Lease liabilities	EUR	1.77%***	2019-2024	12,684	12,128	49	49
Total interest-bearing liabilities				**37,071**	**36,413**	**30,873**	**30,679**

* 6-month Euribor plus a spread ranging from a minimum of 1.45% to a maximum of 2.00% in relation to compliance with a financial restriction

** These are approximate average rates

*** Weighted average incremental interest rate

The new outstanding medium to long-term loan requires compliance with a financial restriction known as leverage ratio, consisting of the NFI/EBITDA ratio as defined in the loan agreement. The measurement of this financial restriction is performed on an annual basis as at 31 December, since it is based on the values of the Group's consolidated financial statements. The lending bank has the right to request the termination of the loan agreement if, at the date of calculation, the restriction is not complied with.

The financial restriction that must be complied with on a consolidated basis is shown below:

Calculation Dates	**NFI/EBITDA <**
31 December 2019	2.25
31 December 2020	2.25
31 December 2021	2.25
31 December 2022	2.25

NFI = Net Financial Indebtedness

EBITDA = Consolidated net profit for the period before income taxes, net financial expense, non-recurring expenses, amortisation/depreciation, provisions and impairment losses

The table below shows the net financial indebtedness of the Group as at 30 June 2019 and as at 31 December 2018 (calculated in accordance with the provisions of Recommendation ESMA/2013/319).

(Amounts in thousands of EUR)				**2019 vs 2018 change**	
		30/06/2019	**31/12/2018**	**Amount**	**%**
A	Cash	36	29	7	24.1%
B	Other cash and cash equivalents	7,321	6,449	872	13.5%
C	Securities held for trading	-	-	-	-
D	**Cash and cash equivalents (A+B+C)**	**7,357**	**6,478**	**879**	13.6%
E	Current loan assets	-	-	-	-
F	Current bank loans and borrowings	(9,387)	(16,934)	7,547	(44.6%)
G	Current portion of non-current debt	(3,000)	(9,600)	6,600	(68.8%)
H	Other current loans and borrowings	(3,384)	(12)	(3,372)	28100.0%
I	**Current financial indebtedness (F+G+H)**	**(15,771)**	**(26,546)**	**10,775**	(40.6%)
J	**Net current financial indebtedness (D+E+I)**	**(8,414)**	**(20,068)**	**11,654**	(58.1%)
K	Non-current bank loans and borrowings	(11,898)	(4,096)	(7,802)	190.5%
L	Bonds issued	-	-	-	-
M	Other non-current liabilities	(8,785)	(37)	(8,748)	23643.2%
N	**Non-current financial indebtedness (K+L+M)**	**(20,683)**	**(4,133)**	**(16,550)**	400.4,%
O	**Net Financial Indebtedness (J+N)**	**(29,097)**	**(24,201)**	**(4,896)**	20.2%

14. Employee benefits

(a) current

The balance of the item current employee benefits includes:

(In thousands of EUR)	**30/06/2019**	**31/12/2018**	**Change**
Salaries payable to temporary workers	27,912	28,122	(210)
Remuneration due to temporary workers	15,604	7,620	7,984
Post-employment benefits of temporary workers	356	417	(61)
Remuneration due to employees	3,928	3,791	137
Total liabilities for employee benefits	**47,800**	**39,950**	**7,850**

Given the nature of business carried out by the Group and the average duration of employment contracts with temporary workers, employee benefits represented by the post-employment benefits of temporary workers were paid periodically and were consequently regarded as current liabilities. Therefore, the liability was not discounted and corresponds to the obligation due to temporary workers at the end of the contract.

The increase recorded as at 30 June 2019 compared to 31 December 2018 is attributable mainly to accruals for temporary workers of additional months' pay in the first half, but not yet paid.

(b) non-current

The balance of the item Employee benefits relates to post-employment benefits due to employees. The change in the amount related to employee benefits in the different years is summarised as follows:

(In thousands of EUR)	**30/06/2019**	**31/12/2018**	**Change**
Liabilities for employee benefits as at 1 January	1,093	1,064	29
Increase for companies acquired	0	33	(33)
Cost recognised in profit or loss	62	141	(79)
Payments during the year/period	(97)	(82)	(15)
Actuarial valuation	56	(63)	119
Total liabilities for employee benefits	**1,114**	**1,093**	**21**

The amount is recognised in profit or loss as per the following table:

(In thousands of EUR)	**30/06/2019**	**31/12/2018**	**Change**
Current service cost	49	117	(68)
Interest expense on the obligation	13	24	(11)
Total	**62**	**141**	**(79)**

The liability related to post-employment benefits is based on the actuarial valuation made by independent experts according to the following main parameters:

	30/06/2019	**31/12/2018**
Projected future salary increases (average amount)	1.0%	1.0%
Projected staff turnover	9.0%	9.0%
Discount rate	2.09%	2.7%
Average inflation rate	1.50%	1.5%

15. Trade payables

The item includes trade payables for the provision of services and consultancy.

Total payables at the reporting date are exclusively due to Italian suppliers. Moreover, there are no payables in currencies other than the Euro. At the reporting date, there was no concentration of payables due to a limited number of suppliers.

The item is broken down as follows:

(In thousands of EUR)	**30/06/2019**	**31/12/2018**	**Change**
Trade payables to third parties	7,712	5,677	2,035
Total trade payables	**7,712**	**5,677**	**2,035**

16. Other liabilities

The item is broken down as follows:

(In thousands of EUR)	**30/06/2019**	**31/12/2018**	**Change**
Social security charges payable	22,099	19,415	2,684
Tax liabilities	8,970	12,628	(3,658)
Liabilities due to Forma.Temp	916	629	287
Other liabilities	1,389	1,005	384
Total other liabilities	**33,374**	**33,677**	**(303)**

Social security charges mainly refers to amount due to INPS (the Italian Social Security Institution), INAIL (the Italian National Institute for Insurance against Accidents at Work) and other social security institutions referring to wages and salaries to temporary workers and employees.

Liabilities due to Forma.Temp refer to the management contribution and the contribution for the training of permanent personnel hired in June.

The item Tax liabilities is broken down as follows:

(In thousands of EUR)	**30/06/2019**	**31/12/2018**	**Change**
Withholding taxes - Employees	7,401	11,924	(4,523)
VAT and other minor liabilities	1,569	704	865
Total tax payables	**8,970**	**12,628**	**(3,658)**

17. Current tax liabilities

The current tax liabilities refer to IRES for EUR 2,166 thousand and IRAP for EUR 616 thousand.

The current tax liabilities as at 31 December 2018 of EUR 685 thousand referred to IRAP for EUR 121 thousand and IRES for EUR 564 thousand.

18. Provisions

Changes in this item are broken down as follows:

(In thousands of EUR)	Balance as at 1/1/2019	Increases	Uses	Balance as at 30/06/2019
Disputes	1,947	0	(31)	1,916

The item refers to possible future charges related to disputes with personnel, a dispute related to a non-trade asset, in addition to other minor risks.

19. Equity

(a) Share capital

(In thousands of shares)	2019	2018
Ordinary shares		
Issued as at 1 January	13,712	13,712
Issued as at 30 June	13,712	13,712

As at 30 June 2019, the approved share capital consists of 13,712,000 ordinary shares held by Omniafin S.p.A. (17.81%), MTI Investimenti S.A. (Luxembourg) (5.02%), Quaestio Italian Growth Fund (6.74%), Openjobmetis S.p.A. following the buyback transaction (3.34%) and the remainder (67.09%) by the market.

The Shareholders' Meeting, convened on 24 April 2018, authorised the Board of Directors to purchase and dispose of treasury shares pursuant to the combined provisions of Articles 2357 and 2357-ter of the Italian Civil Code, as well as Article 132 of Legislative Decree no. 58 of 24 February 1998. Subsequently, the Board of Directors' meeting called for 15 May 2018 resolved to launch the buyback programme from 16 May 2018. Note that, on 30 June 2019, Openjobmetis S.p.A. directly held 458,372 treasury shares.

The Company did not issue any preference shares.

The share capital has been fully paid up.

(b) Share premium reserve

The item Share premium reserve includes the share premium paid as a result of the share capital increase made during the extraordinary Shareholders' Meeting of 18 March 2005 (EUR 3,899 thousand), the share premium recognised as a result of the share capital increase made on 11 June 2007 (EUR 51 thousand), the share premium recognised as a result of the share capital increase made by injection on 14 March 2011 (EUR 5,030 thousand), the share premium paid as a result of the share capital increase on 14 March 2011 (EUR 7,833 thousand), the share premium recognised as a result of the conversion of the bond issue on 26 June 2015 (EUR 700 thousand), and the share premium recognised as a result of the Public Offering of Sale and Subscription made on 3 December 2015 (EUR 16,240 thousand). Moreover, the reserve was reduced by EUR 2,208 thousand for the portion of the listing costs related to the public subscription offering (i.e. costs directly attributable to the latter and portion pro rata of the other listing costs, in proportion to the number of shares related to the public subscription offering, relative to the total number of shares of the initial public offering, including the greenshoe option). Finally, the subsidiary Seltis S.r.l. distributed, upon the approval of the profit for the year 2018, part of the reserve for an amount of EUR 360 thousand.

(c) Other Reserves

The item Other Reserves includes the residual portion of EUR 15,602 thousand of the equity-related reserve of WM S.r.l. originally of EUR 25,959 thousand. This reserve was used in part to cover losses for 2007, and increased following the negative goodwill arising on the merger with Quandoccorre S.p.A.; subsequently, it decreased to cover the 2009 losses carried forward.

As at 30 June 2019, in accordance with IAS 19, the net actuarial loss of EUR 56 thousand - resulting from the difference between the amount of expected benefits calculated for the period of reference and the actual benefit resulting from the new measurement assumptions at the end of the period - was accounted for in equity.

Moreover, the fair value as at 30 June 2019 of the derivative contract put in place to hedge interest rate risks related to the New Loan totalling EUR 41 thousand, was accounted for as a reduction of equity. The effective portion of the change in the fair value of hedging instruments is accumulated in the cash flow hedge reserve as a separate component of equity.

The amount of Other reserves is net of the separate negative reserve for the purchase of treasury shares held, equal to EUR 4,261 thousand as at 30 June 2019, and of the reserve for the purchase option for the remaining 30% of the equity investment in H.C. S.r.l.

20. Revenue

A breakdown of revenue by type of service, all in Euro and from Italian customers, is summarised in the following tables:

(In thousands of EUR)	**1H 2019**	**1H 2018**	**Change**
Revenue from temporary work	272,510	295,585	(23,075)
Revenue from personnel recruitment and selection	2,	1,502	504
Revenue from outplacement	393	337	56
Revenue from other activities	2,351	2,463	(112)
Total Revenue	**277,260**	**299,887**	**(22,627)**

The item Revenue from other activities mainly refers to consultancy on administration and organisational matters as part of the training activities, training courses as well as courses dedicated to the development and motivation of employees and other minor revenue.

21. Other income

The item includes:

(In thousands of EUR)	**1H 2019**	**1H 2018**	**Change**
Recognition of contributions from Forma.Temp and Ebiref	4,697	5,443	(746)
Other sundry income	340	232	108
Total other income	**5,037**	**5,675**	**(638)**

The recognition of grants from Forma.Temp refers to contributions received from said Body for the repayment of the costs incurred for training courses for temporary workers, included in the item Costs for services.

The contributions are recognised by the Body on the basis of the specific reporting of costs for organising and carrying out the training activities. The relevant revenue recognition occurs in a timely manner on the basis of the reporting of costs incurred for each course.

The item *Other sundry income* includes income not pertaining to the period such as the collection of previously impaired receivables and adjustments to the allocations of costs related to previous years, sundry reimbursements and other minor income.

22. Personnel expense

The item includes:

Cost of temporary work

(In thousands of EUR)	**1H 2019**	**1H 2018**	**Change**
Wages and salaries of temporary workers	171,450	186,407	(14,957)
Social security charges of temporary workers	52,606	57,954	(5,348)
Post-employment benefits of temporary workers	8,841	9,134	(293)
Forma.Temp contributions for temporary workers	6,305	6,893	(588)
Other costs of temporary workers	1,529	1,560	(31)
Total personnel expense	**240,731**	**261,948**	**(21,217)**

Forma.Temp contributions refer to the compulsory payment to the Bilateral body of approximately 4% of some elements of gross salaries of temporary workers, to be allocated to the promotion of qualification courses for the workers themselves.

Other costs for temporary workers mainly refer to additional charges such as luncheon vouchers and various refunds.

Employee costs

(In thousands of EUR)	**1H 2019**	**1H 2018**	**Change**
Salaries and wages of employees	11,181	10,947	234
Social security costs of employees	3,496	3,248	248
Post-employment benefits of employees	736	709	27
Remuneration of the Board of Directors and committees	695	516	179
Social security costs of the Board of Directors	65	59	6
Other employee costs	638	655	(17)
Phantom Stock Option	(197)	312	(509)
Total personnel expense	**16,614**	**16,446**	**168**

Other costs for temporary workers mainly refer to additional charges such as luncheon vouchers and various refunds.

The remuneration of key management personnel is indicated in note 33.

The average number of employees is set out below:

Average number of employees	1H 2019	1H 2018	Change
Executives - employees	2	2	0
White-collar staff - employees	639	638	1
Total	**641**	**640**	**1**

Share-based payments

On 12 May 2017 and on 15 May 2018, the Board of Directors assigned a number of directors and key management personnel the option, i.e. the right to receive a sum of money corresponding to the increase in the value of the Openjobmetis S.p.A. shares at the end of the three-year vesting period and subject to the occurrence of the conditions contained in the "Information document relating to the incentive plan" based on the attribution of Phantom Stock Options available on the company website (to which explicit reference is made).

The estimated cost for the period of the Phantom Stock Options equal to EUR 197 thousand corresponds to the change for the period in the liabilities measured at fair value, representative of the sum to be paid to employees for whom the unconditional right has arisen to receive payment in respect of the tranche allocated in the years 2017 and 2018 in accordance with the Plan and the Regulations in force. The related liability is included in employee benefits at the reporting date.

The fair value of the rights of share revaluation was determined in accordance with the Black-Scholes model. The conditions of remaining employed and achieving specific results were considered in the fair value measurement.

The parameters used in the fair value measurement at the dates of assignment and valuation of the plans with share-based payment are: the price of the shares at the assignment date is equal to EUR 9.3033 for the first tranche and EUR 11.7536 for the second tranche, the price at the valuation date is equal to EUR 7.20, option duration of 3 years, expected dividend rate of 3.5%, expected exit rate of 0%, annual volatility of 30%, applying a risk-free rate curve inferred from the Interest rate swap rates on the market at the valuation date.

Expected volatility was estimated on the basis of the valuation of historical volatility of the Company's share prices.

The option's fair value at the reporting date was EUR 0.7784 for the first tranche and EUR 0.3700 for the second tranche.

On 25 June 2019, the Board of Directors assigned certain directors and key management personnel the right to receive ordinary shares of the company free of charge, subject to the achievement of certain performance objectives and the fulfilment of the additional conditions set out in the regulations. Considering the short time horizon between the assignment date and 30 June 2019, the related accounting impacts were considered immaterial for these condensed interim consolidated financial statements.

23. Cost of raw materials and consumables

The item mainly includes costs for consumables, stationery and other minor expenses.

24. Costs for services

The item includes:

(In thousands of EUR)	**1H 2019**	**1H 2018**	**Change**
Costs for organising courses for temporary workers	4,697	5,443	(746)
Costs for tax, legal, IT, business consultancy	2,535	1,719	816
Costs for marketing consultancy	986	1,409	(423)
Fees to sourcers and professional advisors	1,204	1,283	(79)
Rental expenditure	0	1,372	(1,372)
Costs for advertising and sponsorships	725	731	(6)
Costs for car rentals	0	655	(655)
Costs for utilities	534	468	66
Remuneration of the Board of Statutory Auditors	44	44	0
Costs for due diligence and consultancy services	149	305	(156)
Other	2,021	1,885	166
Total costs for services	**12,895**	**15,314**	**(2,419)**

Costs for organising courses for temporary workers mainly refer to costs charged by training companies, for organising training activities carried out in favour of temporary workers, in addition to additional charges. The costs borne by the organisational bodies mainly consist of services invoiced by independent experts. Against the precise and timely reporting of the costs incurred for the courses, Openjobmetis S.p.A. receives a specific refund from Forma.Temp and other bodies.

The item marketing consultancy includes the costs incurred for commercial development projects in certain geographical areas.

The item fees to sourcers and professional advisors refers to costs incurred to promote meetings with potential customers.

Costs for advertising and sponsorship refer to ads, costs to promote of the corporate image and the contribution as the main sponsor of a sports company.

Costs for *due diligence and consultancy services* as at 30 June 2019 relate mainly to due diligence activities on potential targets.

Other costs mainly include costs incurred for insurance, information on customer solvency, remuneration of the independent auditor, published notices and sundry rentals.

25. Other operating expense

The item includes:

(In thousands of EUR)	**1H 2019**	**1H 2018**	**Change**
Other expense	342	389	(47)
Total other operating expense	**342**	**389**	**(47)**

Other expenses include expense for donations, stamps, membership fees, other taxes such as waste taxes and advertising, minor taxes and penalties, and capital losses on the disposal of assets.

26. Impairment loss on trade receivables and other assets

For further details on the loss allowance, reference is made to the directors' report and to note 30 below.

27. Net financial income (expense)

Net financial income and expense are shown in the following table:

(In thousands of EUR)	1H 2019	1H 2018	Change
Bank interest income	9	8	1
Interest income on trade receivables	19	13	6
Total financial income	**28**	**21**	**7**
Interest expense on loans	(135)	(226)	91
Interest expense on current accounts	(11)	(14)	3
Other interest expense	(306)	(99)	(207)
Total financial expense	**(452)**	**(339)**	**(113)**
Total financial income (expense)	**(424)**	**(318)**	**(106)**

Other interest expense mainly refers to the portion of costs attributable to each year deriving from application of the amortised cost method to the loan in accordance with IAS 39, to the non-recurring cost arising from reversal to the income statement of the residual value of the cost amortised following the early extinguishment of the previous loan equal to EUR 116 thousand, and the expense relating to the recognition of the right of use pursuant to IFRS 16, amounting to EUR 108 thousand.

28. Income taxes

Income taxes recognised in profit or loss are broken down as follows:

(In thousands of EUR)	1H 2019	1H 2018	Change
Current taxes	2,117	2,789	(672)
Deferred tax assets	165	31	134
Deferred tax liabilities	(41)	4	(45)
Tax from previous years	1	304	(303)
Total income taxes	**2,242**	**3,128**	**(886)**

Current taxes for the first half of 2019 totalling EUR 2,117 thousand refer to IRAP of EUR 513 thousand and to IRES of EUR 1,604 thousand.

Current taxes for the first half of 2018 totalling EUR 2,789 thousand refer to IRAP of EUR 601 thousand and to IRES of EUR 2,188 thousand.

Pursuant to Articles 117 to 129 of the Consolidated Income Tax Act (TUIR), agreements were signed between Openjobmetis S.p.A. and its subsidiaries Openjob Consulting S.r.l., Seltis S.r.l., Corium S.r.l. and Meritocracy S.r.l. concerning the exercise of the option of the domestic tax consolidation scheme, thus benefiting from the possibility of offsetting taxable income against tax losses in a single tax return. The three-year agreements will be tacitly renewed for the following three-year period unless they are revoked.

29. Potential liabilities

The Group is a party to pending litigations and legal disputes. Based on the opinion of legal and tax advisors, the Directors do not expect that the outcome of these ongoing actions will have a significant effect on the financial position of the Group, in addition to that already allocated in the condensed interim consolidated financial statements.

Specifically:

- The subsidiary Openjob Consulting S.r.l., at an event held in Perugia, underwent a tax inspection by the competent Local Labour Office that led to the preparation of a report which alleged violations concerning forms of contract used on this occasion with consequent possible administrative sanctions not yet notified. Openjob Consulting S.r.l. appealed against the report and this appeal was rejected. Following this report, a charge notice was issued by INPS, later effectively suspended by the Labour Court of Perugia and still pending. In September 2018, an order was issued by the Local Labour Inspectorate, to whom the Company had appealed, relating to the payment of only a portion of the administrative sanctions demanded at the time of the report. This order greatly reduced the value of the sanctions following the proven invalidity of some of the violations originally alleged. The Company and the Local Labour Office (LLO) subsequently reached a settlement in June of this year, following which Openjob Consulting S.r.l. paid about EUR 29 thousand to settle any claim by the LLO.

30. Financial instruments

(a) Credit risk

- **<u>Exposure to credit risk</u>**

The carrying amount of the financial assets represents the Group's maximum exposure to credit risk. At the end of the reporting period, this exposure was as shown below:

(In thousands of EUR)	**30/06/2019**	**31/12/2018**	**Change**
Held-to-maturity investments	29	3	26
Trade receivables	118,887	115,270	3,617

Cash and cash equivalents	7,357	6,478	879
Total	**126,273**	**121,751**	**4,522**

Assets mainly refer to Italian customers.

There are no particular concentrations of receivables in specific sectors.

Exposure to the top 10 customers accounts for approximately 16% of total receivables as at 30 June 2019 and as at 31 December 2018.

- **Impairment losses**

The ageing of trade receivables at the end of the reporting period was as follows:

(In thousands of EUR)	**30/06/2019**	**31/12/2018**	**Change**
Not yet due	95,834	94,931	903
Past due from 0 to 90 days	20,474	17,786	2,688
Past due from 91 to 360 days	3,204	1,986	1,218
Past due 360 days or more	4,784	5,837	(1,053)
Total trade receivables	**124,296**	**120,540**	**3,756**

The changes in the allowance for impairment during the period were as follows:

(In thousands of EUR)	**30/06/2019**	**31/12/2018**	**Change**
Opening balance	**5,270**	**5,162**	**108**
Impairment losses for the period/year	1,847	2,158	(311)
Uses made during the period/year	(1,708)	(2,050)	342
Closing balance	**5,409**	**5,270**	**139**

The Group allocates a loss allowance that reflects the estimate of losses on trade receivables and on other asset, whose main components are the impairment losses on individual significant exposures and the collective impairment loss on homogeneous groups of assets against losses that have not yet been identified. Collective impairment is determined on the basis of historical losses, adjusted if necessary by scale factors reflecting the differences between the economic conditions of the period during which the historical data was collected and the Group's point of view about the economic conditions over the entire expected life of the assets. The allowance for impairment mainly relates to assets that have been past due for more than 360 days.

The impairment loss for the period refers to the provision for estimated impairment losses on trade receivables as described above.

The Group constantly monitors its exposure to credit risk relating to relations with its customers, and adopts appropriate measures to mitigate them. Specifically, on the basis of the policies adopted by the Group, assets that are past due are the subject of specific reminders and recovery actions, including forced. The result of these actions is considered in determining the loss allowance for expected impairment losses.

During the period, the Group did not recognise impairment losses on held-to-maturity investments.

The Group uses loss allowances to recognise the impairment losses on trade receivables and on held-to-maturity investments; however, when there is the certainty that the amount due cannot be recovered, the amount considered irrecoverable is written off directly from the related financial asset.

(b) Liquidity risk

The contractual maturities of financial liabilities, including interest to be paid and excluding the effects of offsetting agreements, are shown in the following table:

Non-derivative financial liabilities	**30 June 2019**					
(In thousands of EUR)	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-5 years**	**More than 5 years**
Tranche A Senior Loan	0	0	0	0	0	0
Line A New Loan	(14,898)	(15,680)	(1,625)	(1,611)	(12,444)	0
Unsecured bank loans and borrowings	(9,387)	(9,387)	(9,387)	0	0	0
Lease liabilities	(12,128)	(12,684)	(2,408)	(1,036)	(9,240)	0
Trade payables	(7,712)	(7,712)	(7,712)	0	0	0
Other liabilities	(33,374)	(33,374)	(33,374)	0	0	0
Employee benefits *	(47,800)	(47,800)	(47,800)	0	0	0
Total	**(125,299)**	**(126,637)**	**(102,306)**	**(2,647)**	**(21,684)**	**0**

Non-derivative financial liabilities	31 December 2018					
(In thousands of EUR)	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-5 years**	**More than 5 years**
Tranche A Senior Loan	(13,696)	(14,054)	(5,729)	(4,079)	(4,246)	0
ICCREA BCC Loan	0	0	0	0	0	0
Unsecured bank loans and borrowings	(16,934)	(16,934)	(16,934)	0	0	0
Finance lease liabilities	(49)	(53)	(7)	(7)	(39)	0
Operating lease liabilities	0	0	0	0	0	0
Trade payables	(5,677)	(5,677)	(5,677)	0	0	0
Other liabilities	(33,677)	(33,677)	(33,677)	0	0	0
Employee benefits *	(39,950)	(39,950)	(39,950)	0	0	0
Total	**(109,983)**	**(110,345)**	**(101,974)**	**(4,086)**	**(4,285)**	**0**

*the item Employee benefits considers only short-term benefits that will generally be settled periodically.

The cash flows included in the above-mentioned tables are not expected to occur significantly in advance or for considerably different amounts.

Please note that for Line B - Revolving of the New Loan outstanding as at 30 June 2019, unused to date, contractual cash flows will have a maximum duration of six months.

(c) Interest rate risk

Floating rate financial liabilities are summarised below:

(In thousands of EUR)	**30/06/2019**	**31/12/2018**	**Change**
Unsecured bank loans and borrowings	9,387	16,934	(7,547)
Tranche A Senior Loan	0	13,696	(13,696)
Line A New Loan	14,898	0	14,898
Total financial liabilities	**24,285**	**30,630**	**(6,345)**

If the interest rates payable had increased by 1% at the reporting date, the equity and the net profit for the period would have been negatively affected, gross of the related tax effect, by an approximate amount of EUR 350 thousand. However, the potential effect of extreme circumstances that cannot be reasonably foreseen remains excluded.

A derivative contract hedging the risk of interest rate change was put in place for a portion equal to 50% of the nominal value of the amortising line for the first three years of the New Loan, which entails the application of an average fixed rate of approximately 0.0% for the hedged part.

As at 30 June 2019, the Group did not recognise any fixed-rate financial asset or liability designated at fair value through profit or loss and did not designate the derivative instruments (interest rate swap) as hedging instruments according to the fair value hedge method. Consequently, any changes in interest rates at the end of the reporting period would have no effect on the profit or loss for the period, in addition to as indicated.

(d) Fair value

- **Fair value and carrying amount**

The following table shows the carrying amount recorded in the statement of financial position and the fair value of each financial asset and liability:

(In thousands of EUR)	**30 June 2019**		**31 December 2018**	
	Carrying amount	**Fair Value**	**Carrying amount**	**Fair Value**
Held-to-maturity investments	29	29	3	3
Trade receivables, other assets and tax assets	129,033	129,033	123,298	123,298
Cash and cash equivalents	7,357	7,357	6,478	6,478
Lease liabilities	(12,128)	(12,128)	(49)	(49)
Tranche A Senior Loan	0	0	(13,696)	(13,696)
Line A New Loan	(14,898)	(14,898)	0	0
Unsecured bank loans and borrowings	(9,387)	(9,387)	(16,934)	(16,934)
Trade payables, other liabilities and tax liabilities	(43,868)	(43,868)	(40,039)	(40,039)
Employee benefits	(47,800)	(47,800)	(39,950)	(39,950)
Total	**8,338**	**8,338**	**19,111**	**19,111**

- **Methods for determining fair value**

The methods and main assumptions used for measuring the fair value of the financial instruments are shown below:

- *Non-derivative financial liabilities*

Bank loans and borrowings and other financial liabilities bear interest at floating rate and therefore, also considering that they are indicated net of the related charges, no significant differences between the carrying amount and fair value were identified.

- *Derivative financial liabilities*

The fair value of Interest Rate Swaps is equal to the present value of the future cash flows estimated on the basis of observable market parameters, and also compared with the prices of the financial intermediary with whom the contract was signed.

- *Trader receivables and other assets*

The fair value of trade receivables and other assets is estimated based on future cash flows discounted using market interest rates at the reporting date. The fair value matches the carrying amount as it already reflects the impairment loss.

For information concerning the interest rates used to discount the expected cash flows, where applicable, on the elements listed in the above table, mainly used for calculating the financial liabilities at amortised cost, see note 13.

- *Fair value hierarchy*

The following table shows the financial instruments recognised at fair value based on the valuation technique used. The different levels were defined as follows:

Level 1: (unadjusted) prices quoted in active markets for identical assets or liabilities;

Level 2: inputs other than quoted market prices defined in Level 1, which are observable for the asset or the liability, either directly (as in the case of prices), or indirectly (derived from prices);

Level 3: inputs relating to the asset or liability that are not based on observable market data (data not observable).

30 June 2019	*(In thousands of EUR)*	Level 1	Level 2	Level 3	Total
Hedging IRS		0	(41)	0	(41)

31 December 2018	*(In thousands of EUR)*	Level 1	Level 2	Level 3	Total
Hedging IRS		0	0	0	0

31. Leases

For its own business purposes, the Group agrees leases, mainly for car rental and property leases.

As better described in note 1, these leases were accounted for in accordance with the new accounting standard IFRS 16.

32. Related parties

Some members of the Board of Directors hold a position in other entities and may be in a position to exercise control or significant influence on the financial and management policies of such entities.

The relationships between Group companies and by the Group with related parties, as identified on the basis of the criteria defined in IAS 24 Related Party Disclosures, are mainly commercial in nature.

During the period, the Group carried out transactions with some of the above-mentioned entities as shown below. The general conditions that regulate said transactions have been carried out on an arm's length basis.

According to Article 2391-bis of the Italian Civil Code and the OPC Regulation laying down provisions for transactions with related parties, the Board of Directors approved on 12 October 2015 and subsequently amended on 6 November 2015, the procedure for transactions with related parties. The total value of the transactions and residual balances is as follows:

Description	(in thousands of EUR)	1H 2019	Other related parties	Total related parties	% weight on financial statement items
Employee costs		16,614	1,082	1,082	6.51%
Description	**(in thousands of EUR)**	**1H 2018**	**Other related parties**	**Total related parties**	**% weight on financial statement items**
Employee costs		16,446	884	884	5.37%

As shown in note 33 below, the item Employee costs from Other related parties includes costs equal to EUR 695 thousand as at 30 June 2019 (EUR 516 thousand as at 30 June 2018) for the Board of Directors, EUR 215 thousand as at 30 June 2019 (EUR 198 thousand as at 30 June 2018) for Key management personnel and EUR 172 thousand as at 30 June 2019 (EUR 169 thousand as at 30 June 2018) for salaries paid to close relatives of the latter.

In the course of normal business, the Group has provided temporary worker supply services to other related parties not reported in the above table as irrelevant and concluded on an arm's length basis.

33. Remuneration of members of the Board of Directors, key management personnel and members of the Board of Statutory Auditors.

The general conditions governing transactions with key management personnel and their related parties were not more favourable than those applied, or that could reasonably be applied, in the case of similar transactions with non-key management personnel related to the same entities at arm's length.

The total remuneration of key management personnel, recorded in the item Personnel expense and costs for services, amounted to EUR 910 thousand, of which EUR 695 thousand to members of the Board of Directors and EUR 215 thousand to key management personnel (EUR 714 thousand for the first half of 2018, of which EUR 516 thousand to members of the Board of Directors and EUR 198 thousand to key management personnel). In addition to salaries, the Group also offers certain key management personnel benefits in kind according to the ordinary contractual practice for company managers. Note that the Board of Directors has assigned to a number of directors and key management personnel the option, i.e. the right to receive a sum of money corresponding to the increase in the value of the stock of Openjobmetis S.p.A. at the end of the three-year vesting period and subject to the occurrence of the conditions contained in the Plan Regulation available on the company website (to which explicit reference is made). On 25 June 2019, the Board of Directors assigned certain directors and key management personnel the right to receive ordinary shares of the company free of charge, subject to the achievement of certain performance objectives and the fulfilment of the additional conditions set out in the regulations. It should also be noted that the remuneration to certain Directors is paid to their respective companies rather than to individual beneficiaries, according to an agreement between them and the companies in question, for a total of EUR 19 thousand (EUR 34 thousand for the first half of 2018).

Remuneration to the Board of Statutory Auditors as at 30 June 2019 amounted to EUR 44 thousand (EUR 44 thousand for the first half of 2018).

For more information regarding fees of said managers, reference is made to the 2018 Remuneration Report published in the "Corporate Governance" section of the company website.

34. Atypical and/or unusual transactions

The condensed interim consolidated financial statements as at 30 June 2019 do not show any income components or capital and financial items, whether positive or negative, arising from atypical or unusual events and transactions.

35. Earnings per share

The calculation of earnings per share for the years ended 30 June 2019 and 30 June 2018 is shown in the following table and is based on the ratio of profit (loss) attributable to the Group to the weighted average number of issued outstanding shares.

(In thousands of EUR)	30/06/2019	30/06/2018
Profit for the period	4,716	6,202
Average number of shares*	13,712	13,712
Basic earnings per share (in EUR)	**0.34**	**0.45**
Diluted earnings per share (in EUR)	**0.34**	**0.45**

* *The average number of shares is calculated as the weighted average of the shares actually issued in each year.*

36. Subsequent events

There were no significant events subsequent to 30 June 2019.

Milan, 2 August 2019

On behalf of the Board of Directors

The Chairman

(signed on the original)
Marco Vittorelli

STATEMENT ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH ARTICLE 154-BIS OF LEGISLATIVE DECREE 58/98 AS AMENDED AND SUPPLEMENTED

1. We the undersigned Rosario Rasizza, Managing Director, and Alessandro Esposti, Manager in charge of preparing financial reports of Openjobmetis S.p.A., hereby certify, taking into account, inter alia, the provisions of article 154-*bis*, paragraphs 3 and 4, of Italian Legislative Decree of 24 February 1998 no. 58:

- the adequacy in relation to the characteristics of the company and
- actual application of the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements, during the period from *01/01/2019 to 30/06/2019.*

2. In this regard, it should be noted that the adequacy of administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements as at 30 June 2019 was evaluated on the basis of the assessment of the system for internal control and audit of the processes directly or indirectly related to the formation of accounting and financial statement data.

3. We confirm that:

I. The condensed interim consolidated financial statements as at 30 June 2019:

- correspond with the information contained in the accounting ledgers and records;
- have been prepared in accordance with applicable international accounting standards recognised by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 as well as the provisions issued in implementation of Legislative Decree 38/2005;
- provide a true and fair view of the financial position, results of operations and cash flows of the Issuer and all its consolidated companies.

II. The directors' report on the condensed interim consolidated financial statements includes a reliable analysis of operating performance and results and of the situation of the Issuer and of all entities included in the consolidation of events that occurred in the first six months of the year and their incidence on the consolidated financial statements, as well as a description of the main risks and uncertainties to which the Group is exposed for the remaining six months of the year and information on significant transactions with related parties. Pursuant to the provisions of Article 154-ter of Legislative Decree 58/98.

Milan, 2 August 2019

Managing Director	Manager in charge of financial reporting
(signed on the original)	(signed on the original)
Rosario Rasizza	Alessandro Esposti

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

Report on review of condensed interim consolidated financial statements

To the shareholders of
Openjobmetis S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Openjobmetis Group, comprising the statement of financial position as at 30 June 2019, the statements of comprehensive income, changes in equity and cash flows for the six months then ended and notes thereto. The directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Openjobmetis Group as at and for the six months ended 30 June 2019 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, 5 agosto 2019

KPMG S.p.A.

(signed on the original)

Luisa Polignano
Director of Audit

OPENJOBMETIS S.P.A.

Employment Agency
Aut. Prot. N.1111-SG del 11/26/2004

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