

# **HALF-YEAR FINANCIAL REPORT AT 30/06/2019**

This English version of Tinexta's Half-Year Financial Report at 30/06/2019 is made available to provide non-Italian speakers a translation of the original document. Please note that in the event of any inconsistency or discrepancy between the English version and the Italian version, the original Italian version shall prevail.



**TINEXTA**



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## COMPANY DATA and COMPOSITION OF CORPORATE GOVERNANCE BODIES

### Parent Company's Registered Office

TINEXTA S.p.A.  
Piazza Sallustio 9  
00187 Rome Italy

### Statutory Information about the Parent Company

Share Capital resolved € 47,207,120 - subscribed and paid-in € 46,890,120  
Rome Corporate Registry No. RM 1247386  
Tax ID and VAT No. 10654631000  
Website [www.tinexta.com](http://www.tinexta.com)

### Corporate governance bodies currently in office

#### Board of Directors

Enrico Salza	Chairman
Riccardo Ranalli	Deputy Chairman
Pier Andrea Chevallard	Chief Executive Officer
Alessandro Potestà	Director
Laura Benedetto	Director (independent)
Gian Paolo Coscia	Director (independent)
Elisa Corghi	Director (independent)
Giada Grandi	Director (independent)
Eugenio Rossetti	Director (independent)
Paola Generali	Director (independent)
Lorena Pellissier	Director (independent)

#### Control and Risks and Related Parties Committee

Eugenio Rossetti	Chairman
Riccardo Ranalli	
Elisa Corghi	
Alessandro Potestà	
Gian Paolo Coscia	

#### Remuneration Committee

Giada Grandi	Chairman
Riccardo Ranalli	
Paola Generali	
Lorena Pellissier	
Eugenio Rossetti	

#### Board of Statutory Auditors

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

#### Independent Auditors

KPMG S.p.A.

#### Manager responsible for the preparation of the corporate accounting documents

Nicola Di Liello

#### Registered and Operating Office

Piazza Sallustio 9 - 00187 Rome

#### Operating Office

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

## SUMMARY OF GROUP RESULTS

Summary economic data (Amounts in thousands of Euro)	1st Half 2019	1st Half 2018 <sup>1</sup>	Change	of which change for IFRS 16 <sup>2</sup>	Change %	of which change % IFRS 16 <sup>2</sup>
Revenues	126,592	114,510	12,082	0	10.6%	0.0%
Adjusted EBITDA <sup>3</sup>	35,663	29,055	6,608	1,685	22.7%	5.8%
EBITDA	32,369	28,873	3,496	1,685	12.1%	5.8%
Operating Profit	21,350	20,933	417	52	2.0%	0.2%
Net Profit	14,016	13,972	45	-87	0.3%	-0.6%
Adjusted Net Profit	19,000	16,407	2,594	-87	15.8%	-0.5%
Free Cash Flow	23,751	22,730	1,020	1,585	4.5%	7.0%

Summary equity-financial data (Amounts in thousands of Euro)	30/06/2019	31/12/2018 <sup>4</sup>	Change	of which change for IFRS 16 <sup>2</sup>	Change %	of which change % IFRS 16 <sup>2</sup>
Share Capital	46,890	46,890	0	n.a.	0.0%	n.a.
Shareholders' Equity	137,676	145,376	-7,700	-87	-5.3%	-0.1%
Net Financial Indebtedness	140,245	124,946	15,299	14,673	12.2%	11.7%

Since 1 January 2019, the Group has adopted IFRS 16 "Leases", which has led to changes in accounting policies and in some cases adjustments to the amounts entered in the financial statements. The 2018 comparative data have not been restated, while the data for the period under review reflect the application of the aforementioned standard. In order to ensure effective comparability with the 2018 economic, equity and financial results, the effects on the comparative analyses deriving from the application of IFRS 16 adopted from 1 January 2019 are explained.

<sup>1</sup>The comparative data for First Half 2018 were restated for the completion during Fourth Quarter 2018 of activities to identify the fair values of the assets and liabilities of Warrant Hub S.p.A. and its subsidiaries, consolidated on a line-by-line basis from 1 December 2017, as well as for the completion in Fourth Quarter 2018 of the activities to identify the fair values of the assets and liabilities of AC Camerfirma S.A., consolidated on a line-by-line basis from 1 May 2018.

<sup>2</sup> Change for the component attributable to the adoption of IFRS 16 from 1 January 2019.

<sup>3</sup> Adjusted EBITDA is calculated as EBITDA before provisions (recognised under "personnel costs") relating to the Virtual Stock Option Plan, targeted at Key Management Personnel of Tinexta S.p.A., approved by the Board of Directors on 14 November 2016.

<sup>4</sup>The comparative data at 31 December 2018 were re-stated in relation to the completion in First Half 2019 of the identification of the fair values of the assets and liabilities of Comas S.r.l. and Webber S.r.l., consolidated on a line-by-line basis from 1 July 2018, as well as of Promozioni Servizi S.r.l., consolidated on a line-by-line basis from 1 November 2018.

## INTERIM REPORT ON OPERATIONS

### GROUP ACTIVITIES

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

The Group operates through three Business Units (BUs):

1. the Digital Trust BU offers IT solutions to the market for digital identity and the dematerialisation of processes coherent with applicable regulations (including the new European eIDAS regulation of 2016) and customer and sector compliance standards, through various products and services such as certified e-mail (CEM), electronic storage, digital signature, e-invoicing, Telematic Trust Solutions and Enterprise Content Management Solutions. Digital Trust activities are provided by the Group through InfoCert S.p.A., its subsidiaries and associates, as well as Visura S.p.A.

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

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

AC Camerfirma S.A. (hereinafter also "Camerfirma"), 51% owned by InfoCert since May 2018, leader in Spain in the Digital Trust sector and present in the South American market as well (Camerfirma Perú S.A.C.), mainly offers digital certification services. It has launched the marketing of high value-added InfoCert products to banks and large companies operating on the Spanish market.

On 21 December 2018, InfoCert entered into the joint venture Lux Trust S.A. (hereinafter also "LuxTrust") through the subscription of 50% of the latter's share capital. LuxTrust implements and integrates innovative solutions to guarantee on-line transactions, digital identity, and electronic signatures for its customers. LuxTrust manages digital identities throughout Luxembourg. The conclusion of the transaction is aimed at strengthening LuxTrust's positioning in the domestic market and laying the foundations for business development in other European markets, in particular, France, Netherlands, and Belgium.

Visura S.p.A. is active in the Digital Trust market, mainly through the sale of Telematic Trust Solutions and resale services of products such as certified e-mail, digital signature and electronic invoicing; it also offers telematic services and manages a database of approximately 450 thousand customers including professionals, professional firms, public administrations, professional associations and companies, as well as products and services in the IT sector for professional associations such as electronic filing, CAF Facile (the filing of 730 tax returns and related documents) and certified e-mail.

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

In relation to Credit Information & Management, the Group operates through Innolva S.p.A. (created from the merger of the companies Assicom S.p.A. and Ribes S.p.A. in 2017) and its subsidiaries Comas S.r.l. and Webber S.r.l. (acquired jointly in July 2018), Promozioni Servizi (acquired in October 2018), and Innolva Relazioni Investigative (incorporated in October 2018), as well as RE Valuta S.p.A.

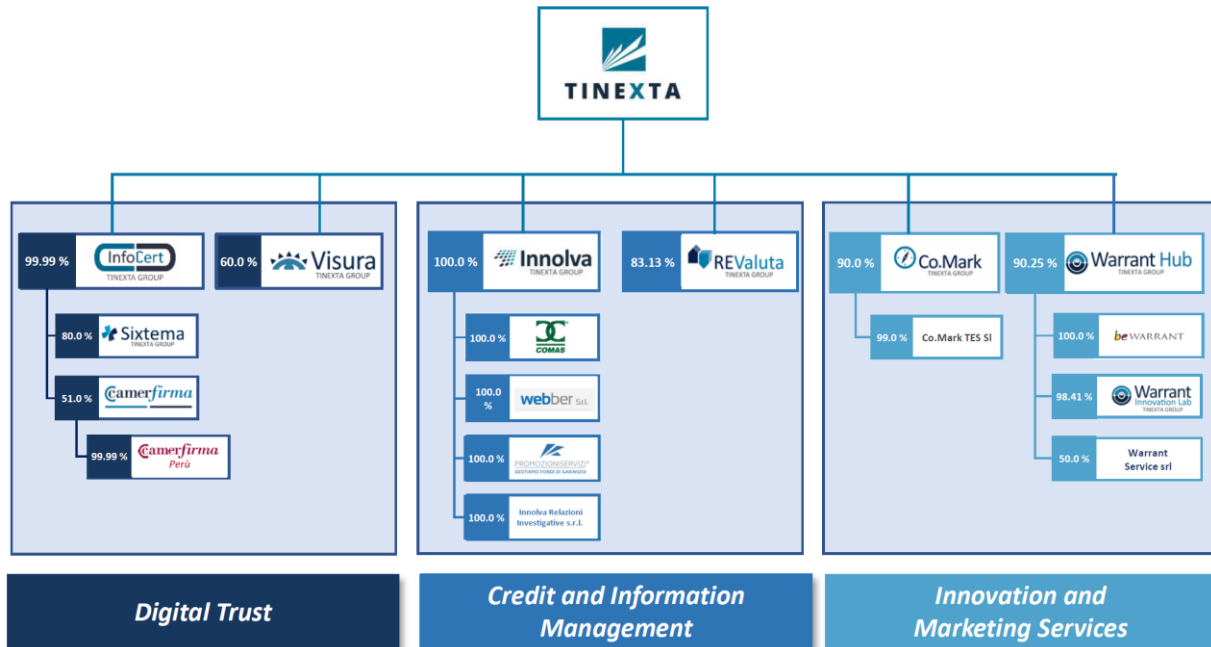
Innolva provides a complete range of IT services to support decision-making processes for the granting, assessment and recovery of credit, along with credit management and business information services, through a business model characterised by the integration of services, with the aim of supporting banks and SMEs at every stage of the credit management and recovery cycle. Since 2018, Innolva has controlled Comas and Webber, established in 1976 and 2013 respectively, and predominantly active in the resale, through the internet, of business information such as filings with Chambers of Commerce, cadastral property registries, the automobile registry and the Registry Office, court certificates, reports on natural and legal persons and other information services. Through Promozioni Servizi S.r.l., Innolva offers advisory services to financial institutions on access to the guarantee fund for SMEs.

RE Valuta identifies and provides assessment services to define the value of real estate collateral during the granting of loans or during the process of assessing the value of real estate assets recognised in the Financial Statements, primarily for banking and fund customers.

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

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

The chart that follows outlines the structure of the Tinexta Group, only including controlling interests held as at 30 June 2019.



## KEY EVENTS OF THE PERIOD

An overview of the key events that occurred in First Half 2019 is provided as follows:

- On **31 January 2019**, the sale of the Eurofidi business unit by Innolva S.p.A. to its subsidiary Promozioni Servizi S.r.l. was finalised with a notary deed. Commercial and organisational needs and opportunities prompted the project to concentrate in a single entity the offer to the market of consulting services for access to the Central Guarantee Fund.
- On **28 February 2019**, Co.Mark S.p.A., a company specialising in Temporary Export Management services, appointed a new Board of Directors, composed of the following 5 members: Giorgio Tabellini, confirmed as Chairman, Aldo Gallo, Eugenio Rossetti, Pier Andrea Chevallard and Marco Sanfilippo, appointed Chief Executive Officer. The appointments conclude a process started in April 2016 with the acquisition of controlling interest in Co.Mark by Tinexta Group that progressed gradually and in constant agreement with the outgoing shareholders.
- On **28 March 2019** Tinexta S.p.A., took out a financing for up to a maximum of € 50 million with the Intesa Sanpaolo Group to finance the acquisition of the minority shares of some of the subsidiaries and to meet the other financial commitments, including the extinguishment of the loan with the controlling shareholder Tecno Holding S.p.A.. The financing, at floating rate and expiring on 31 December 2025, was structured by Banca IMI, the investment bank of the Intesa Sanpaolo Group, which also acted as Mandated Lead Arranger in the transaction. A total of € 32,895 thousand of the loan was drawn down as at 30 June; the remaining amount shall be disbursed in one or more tranches within 6 months of the stipulation.



4. On **18 April 2019**, the Shareholders' Meeting of Tinexta S.p.A. resolved the distribution of a dividend for the year 2018 of € 0.228 per Share. The total amount to be distributed in the form of a dividend, taking account of the Shares issued as of said date (46,890,120), was equal to € 10,691 thousand. The Ordinary Shareholders' Meeting also resolved to retain the remainder of the Profit for the Year (€ 9,850 thousand), less 5% to be allocated to the legal reserve, amounting to € 1,081 thousand.
5. On **30 April 2019**, pursuant to the option contract signed on 30 November 2017 between Tinexta S.p.A. and the minority shareholders of Warrant Hub S.p.A., Workyng S.r.l. and Roma S.r.l., the options were exercised on 20.25% of the capital of Warrant Hub; therefore, Tinexta holds 90.25% of the share capital of Warrant Hub. The consideration for the purchase of the 9.75% stake from Workyng S.r.l. was € 14,881 thousand. For the purchase of 10.5% of the capital from Roma S.r.l., an amount of € 8,013 thousand was paid on the same date (calculated on 50% of the shares acquired), and for the remaining portion, an amount will be paid in 2020 based on the 2019 results, by applying a multiple to the annual EBITDA of the consolidated financial statements of Warrant Hub, taking into account the net financial position and based on the growth rates recorded on the basis of a formula agreed in the relevant contracts. Following this transaction, Workyng S.r.l. continues to hold 9.75% of the capital of Warrant Hub, which will be subject to Put/Call options in 2020 at a price calculated by applying a multiple to the annual EBITDA of the 2019 consolidated financial statements of Warrant Hub, taking into account the net financial position and based on the growth rates recorded on the basis of a formula agreed in the relevant contracts. Tinexta S.p.A. financed this transaction through the partial draw down from the credit line subscribed on 28 March 2019 with the Intesa Sanpaolo Group.
6. In the first few days of **May 2019**, the subsidiary Visura S.p.A. suffered a cyber attack which required precautionary intervention on roughly 13% of the certified e-mail accounts sold by said entity and managed by InfoCert, targeted at restoring operations and ensuring the security of the services provided. The appropriate in-depth analyses were carried out and the necessary reports sent to the competent authorities. At the date of drafting of this half-year financial report, preliminary proceedings are in progress, initiated by the Italian Data Protection Authority against Visura S.p.A. and InfoCert S.p.A. and by Agid against InfoCert. Therefore, considering the state of the art, also based on the indications provided by the legal representatives with reference to the aforementioned proceedings, at the current state of affairs, according to the provisions of the applicable accounting standards, there are no elements which allow a quantification of the company's risks.
7. On **17 June 2019**, Tinexta S.p.A. communicated that, based on the results of the annual financial statements of the companies forming part of the Group, the condition pursuant to art. 3 of the Regulations "Tinexta 2016-2019 Warrants", became applicable for the year ended 31 December 2018. Therefore, Cedacri S.p.A. will be entitled, up until 30 September 2019, to exercise the third and final tranche of warrants held up to a maximum of 317,000 warrants, corresponding to 317,000 new Ordinary Shares of Tinexta S.p.A. (equal to 0.676% of the latter's current Share Capital), at a subscription price of € 3.40 per share, determined in accordance with the Regulations.
8. On **28 June 2019**, Tinexta S.p.A. repaid, within the terms set forth contractually, the entire loan of € 25 million disbursed by the Controlling Shareholder Tecno Holding S.p.A., through use of the Crédit Agricole loan for € 15 million entered into on 4 December 2018 and, for the remaining portion, through use of the loan entered into with the Intesa Sanpaolo Group on 28 March 2019.
9. On **28 June 2019**, Camerfirma Colombia S.A.S. was incorporated by the subsidiary Camerfirma S.A. and private shareholders, with its registered office in Bogotá (Colombia). The subscribed capital is COL\$ 1,200,000,000, for a total of 6,000 shares issued. Camerfirma S.A. subscribed 25% of the share capital for a total value of COL\$ 300,000,000 (1,500 shares), still not paid at 30 June 2019.

## DEFINITION OF PERFORMANCE INDICATORS

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

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

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

**EBITDA:** is calculated as “Net Profit” before “Income taxes”, “Net financial income (charges)”, “Share of profit of equity-accounted investments”, “Amortisation/depreciation”, “Provisions” and “Impairment”, or as “Revenues” net of “Costs of raw materials”, “Service costs”, “Personnel costs”, “Contract costs” and “Other operating costs”.

**Adjusted EBITDA** is calculated as EBITDA before provisions (recognised under “personnel costs”) relating to the Virtual Stock Option Plan, targeted at Key Management Personnel of Tinexta S.p.A., approved by the Board of Directors on 14 November 2016.

**Operating Profit:** although the IFRS do not contain a definition of Operating Profit, it is presented in the Statement of Profit/(Loss) and Other comprehensive income and is calculated by subtracting “Amortisation/depreciation”, “Provisions” and “Impairment” from EBITDA.

**Adjusted Net Profit:** is calculated as “Net Profit” before non-recurring components of: the provisions relating to the Virtual Stock Option Plans targeted at Key Management Personnel of Tinexta S.p.A., approved by the Board of Directors on 14 November 2016; amortisation of other intangible assets that emerged at the time of allocation of the price paid in business combinations; all net of the associated tax effects. This indicator reflects the Group’s economic performance, net of non-recurring factors that are not directly attributable to the activities and operation of its core business.

**Adjusted EPS:** obtained from the ratio of Adjusted Net Profit and the weighted average number of Ordinary Shares outstanding during the period.

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

**Total Net Financial Position (Indebtedness):** is calculated by adding the Net Financial Position (Indebtedness), “Non-current derivative financial instruments receivable” and “Other non-current financial assets”.

**Free Cash Flow:** represents the cash flow available for the Group and is equal to the difference between the cash flow from operations and the cash flow for investments in capital assets. It is equal to the difference

between “Net cash and cash equivalents generated by operations” and the sum of “Investments in property, plant and equipment” and “Investments in intangible assets” included in the Statement of Cash Flows.

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

- “Non-current derivative financial instruments payable”;
- “Non-current financial liabilities”;
- “Non-current receivables from customers”;
- “Non-current contract cost assets”.

**Net Working Capital:** is the difference between “Current assets” and “Current liabilities”, including “Non-current receivables from customers” and “Non-current contract cost assets” and excluding:

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

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

## GROUP ECONOMIC RESULTS

The Group closed First Half 2019 with Revenues of € 126,592 thousand. Adjusted EBITDA amounted to €35,663 thousand, equal to 28.2% of Revenues, while EBITDA came to € 32,369 thousand, 25.6% of Revenues. Operating Profit and Net Profit amounted to € 21,350 thousand and € 14,016 thousand respectively, equal to 16.9% and 11.1% of Revenues.

Since 1 January 2019, the Group has adopted IFRS 16 “Leases”, which has led to changes in accounting policies and in some cases adjustments to the amounts entered in the Financial Statements. In order to ensure effective comparability with the economic results of First Half 2018, the effects on the comparative analyses deriving from the application of the aforementioned standard adopted from 1 January 2019 are exhibited.

Abbreviated Consolidated Income Statement (in thousands of Euro)	1st Half 2019	%	1st Half 2018 <sup>5</sup>	%	Change	of which change for IFRS 16	Change %	of which change % for IFRS 16
Revenues	126,592	100.0%	114,510	100.0%	12,082	-	10.6%	0.0%
Adjusted EBITDA	35,663	28.2%	29,055	25.4%	6,608	1,685	22.7%	5.8%
EBITDA	32,369	25.6%	28,873	25.2%	3,496	1,685	12.1%	5.8%
Operating Profit	21,350	16.9%	20,933	18.3%	417	52	2.0%	0.2%
Net Profit	14,016	11.1%	13,972	12.2%	45	-87	0.3%	-0.6%

Revenues rose by € 12,082 thousand compared to First Half 2018, or 10.6%, adjusted EBITDA increased by € 6,608 thousand or 22.7%, EBITDA by € 3,496 thousand or 12.1%, Operating Profit by € 417 thousand or 2.0%, and Net Profit by € 45 thousand or 0.3%. The results reported reflect the Group’s organic growth as well as the expansion of the perimeter compared to First Half 2018, with the inclusion of:

- Camerfirma and its subsidiary Camerfirma Perù, consolidated as of 1 May 2018.
- Comas and Webber, consolidated as of 1 July 2018;
- Promozioni Servizi, consolidated as of 1 November 2018.

It is worthwhile noting the deconsolidation, following the sale of the controlling interest in Creditreform Assicom Ticino as of 1 June 2018. Starting from this date, the investment is accounted for using the equity method on the associated stake of 30%.

The table below shows the economic results net of non-recurring items.

Abbreviated Consolidated Income Statement net of non-recurring items (in thousands of Euro)	1st Half 2019	%	1st Half 2018	%	Change	of which change for IFRS 16	% Change	of which change % for IFRS 16
Revenues	126,592	100.0%	114,330	100.0%	12,261	-	10.7%	0.0%
Adjusted EBITDA	36,657	29.0%	29,411	25.7%	7,246	1,685	24.6%	5.7%
EBITDA	33,363	26.4%	29,229	25.6%	4,134	1,685	14.1%	5.8%
Operating Profit	22,344	17.7%	21,289	18.6%	1,055	52	5.0%	0.2%
Net Profit	14,380	11.4%	14,224	12.4%	156	-87	1.1%	-0.6%

<sup>5</sup>The comparative data for First Half 2018 were restated for the completion during Fourth Quarter 2018 of activities to identify the fair values of the assets and liabilities of Warrant Hub S.p.A. and its subsidiaries, consolidated on a line-by-line basis from 1 December 2017, as well as for the completion in Fourth Quarter 2018 of the activities to identify the fair values of the assets and liabilities of AC Camerfirma S.A., consolidated on a line-by-line basis from 1 May 2018.

Net of the non-recurring items, Revenues were up by 10.7%, Adjusted EBITDA by 24.6%, EBITDA by 14.1%, Operating Profit by 5.0% and Net Profit by 1.1%.

#### *Non-recurring items*

In First Half 2019, *Non-recurring operating costs* of € 994 thousand were recorded, of which € 705 thousand for costs linked to the implementation of the new Group operating model, € 239 thousand in restructuring charges incurred as part of the termination of employment contracts linked to the Eurofidi business unit and € 51 thousand in restructuring costs of the company Visura following the merger by incorporation with its subsidiaries.

*Non-recurring financial income* of € 148 thousand was recognised for the capital gain realised through the sale of a minority shareholding (Moxoff S.r.l.).

*Non-recurring income taxes* includes non-recurring income of € 483 thousand, of which € 249 thousand for the tax effect on non-recurring components of profit before tax and € 234 thousand for the “Patent Box” benefit recognised by InfoCert S.p.A. in the year 2019.

In First Half 2018, *Non-recurring revenues* of € 179 thousand were registered, *Non-recurring operating costs* of € 535 thousand were incurred, and income in *Non-recurring taxes* amounted to € 104 thousand.

The method of construction of adjusted net profit is indicated below, used to represent the Group’s operating performance, calculated as “Net Profit” before non-recurring components; of the provisions relating to the Virtual Stock Option Plan, targeted at Key Management Personnel of Tinexta S.p.A. and aimed at the disbursement of deferred sums corresponding to the increase in value of Tinexta Shares and, consequently, to the creation of value for Shareholders, approved by the Board of Directors on 14 November 2016; of amortisation of other intangible assets that emerged at the time of allocation of the price paid in business combinations, all net of the associated tax effect. This indicator reflects the Group’s economic performance, net of non-recurring factors that are not directly attributable to the activities and operation of its core business, thus allowing a more homogeneous analysis of the Group’s performance in the periods under comparison.

<b>Abbreviated Consolidated Income Statement</b> <i>(in thousands of Euro)</i>	<b>1st Half 2019</b>	<b>1st Half 2018</b>	<b>Change</b>	<i>of which change for IFRS 16</i>	<b>% Change</b>	<i>of which change % for IFRS 16</i>
<b>Net Profit</b>	<b>14,016</b>	<b>13,972</b>	<b>45</b>	<b>-87</b>	<b>0.3%</b>	<b>-0.6%</b>
Non-recurring revenues	0	-179	179			
Non-recurring service costs	755	401	354			
Non-recurring personnel costs	239	134	105			
Virtual Stock Options Provision	3,293	182	3,112			
Amortisation of other intangible assets which emerged at the time of allocation	2,957	2,859	98			
Non-recurring financial income	-148	0	-148			
Tax effect	-2,114	-962	-1,152			
<b>Adjusted Net Profit</b>	<b>19,000</b>	<b>16,407</b>	<b>2,594</b>	<b>-87</b>	<b>15.8%</b>	<b>-0.5%</b>

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The following table provides details of the items for First Half 2019, compared with the same period of the previous year.

Consolidated Income Statement (in thousands of Euro)	1st Half 2019	%	1st Half 2018	%	Change	of which change for IFRS 16	Change %	of which change % for IFRS 16
<b>Revenues</b>	<b>126,592</b>	<b>100.0%</b>	<b>114,510</b>	<b>100.0%</b>	<b>12,082</b>	<b>0</b>	<b>10.6%</b>	<b>0.0%</b>
<b>Total Operating Costs</b>	<b>90,929</b>	<b>71.8%</b>	<b>85,455</b>	<b>74.6%</b>	<b>5,475</b>	<b>-1,685</b>	<b>6.4%</b>	<b>-2.0%</b>
Costs of raw materials	3,415	2.7%	2,875	2.5%	540	0	18.8%	0.0%
Service costs	40,731	32.2%	38,657	33.8%	2,075	-1,546	5.4%	-4.0%
Personnel costs*	41,299	32.6%	38,265	33.4%	3,034	-139	7.9%	-0.4%
Contract costs	4,191	3.3%	4,644	4.1%	-454	0	-9.8%	0.0%
Other operating costs	1,293	1.0%	1,014	0.9%	279	0	27.6%	0.0%
<b>Adjusted EBITDA</b>	<b>35,663</b>	<b>28.2%</b>	<b>29,055</b>	<b>25.4%</b>	<b>6,608</b>	<b>1,685</b>	<b>22.7%</b>	<b>5.8%</b>
Virtual Stock Options Provision*	3,293	2.6%	182	0.2%	3,112	0	1,711.3%	0.0%
<b>EBITDA</b>	<b>32,369</b>	<b>25.6%</b>	<b>28,873</b>	<b>25.2%</b>	<b>3,496</b>	<b>1,685</b>	<b>12.1%</b>	<b>5.8%</b>
Depreciation, amortisation, provisions and impairment	11,019	8.7%	7,940	6.9%	3,079	1,634	38.8%	20.6%
<b>Operating Profit</b>	<b>21,350</b>	<b>16.9%</b>	<b>20,933</b>	<b>18.3%</b>	<b>417</b>	<b>52</b>	<b>2.0%</b>	<b>0.2%</b>
Financial income	226	0.2%	82	0.1%	143	0	174.6%	0.0%
Financial charges	1,494	1.2%	1,077	0.9%	417	172	38.8%	16.0%
Profit of equity-accounted investments	15	0.0%	30	0.0%	-16	0	-51.5%	0.0%
<b>Profit before tax</b>	<b>20,096</b>	<b>15.9%</b>	<b>19,968</b>	<b>17.4%</b>	<b>127</b>	<b>-120</b>	<b>0.6%</b>	<b>-0.6%</b>
Income taxes	6,079	4.8%	5,997	5.2%	83	-34	1.4%	-0.6%
<b>Net Profit</b>	<b>14,016</b>	<b>11.1%</b>	<b>13,972</b>	<b>12.2%</b>	<b>45</b>	<b>-87</b>	<b>0.3%</b>	<b>-0.6%</b>

\* Personnel costs are stated net of the Virtual Stock Options Provision, reported hereunder, in order to better understand the construction of Adjusted EBITDA.

**Revenues** rose from € 114,510 thousand in First Half 2018 to € 126,592 thousand in First Half 2019, growth of 10.6%, equal to € 12,082 thousand. The increase in Revenues attributable to the organic growth was 6.3%, while 4.3% is due to the change in the perimeter.

**Operating costs** rose from € 85,455 thousand in First Half 2018 to € 90,929 thousand in First Half 2019, an increase of € 5,475 thousand or 6.4% (of which € -1,685 thousand, or -2.0%, due to the adoption of IFRS 16 from 1 January 2019). The increase in operating costs attributable to organic growth change was 3.9%, while the remaining 4.4% is due to the change in the perimeter.

The **Adjusted EBITDA margin**, or the ratio of Adjusted EBITDA to Revenues, grew from 25.4% in First Half 2018 to 28.2% in First Half 2019. This improvement was due to the business mix, to careful cost control and to the effects of adoption of the new IFRS 16 standard, introduced starting from 2019; net of the effects of IFRS 16, the Adjusted EBITDA margin in First Half 2019 would have been 26.8%. Net of the non-recurring components and the effects of IFRS 16, the Adjusted EBITDA margin in First Half 2019 would have been 27.6%, compared to 25.7% in First Half 2018.

The **Virtual Stock Options Provision**, targeted at Key Management Personnel and aimed at the disbursement of deferred sums corresponding to the increase in value of Tinexta Shares, reflects the significant increase in the price of the shares registered in First Half 2019 (from € 6.25 at 31 December 2018 to € 13.16 at 30 June 2019).

The item **Depreciation, amortisation, provisions and impairment**, for € 11,019 thousand (€ 7,940 thousand in First Half 2018) includes € 2,957 thousand in amortisation of other intangible assets arising upon allocation of the excess cost paid in business combinations, mainly relating to Innolva, Visura, Co.Mark and Warrant Hub. The increase in the item was impacted by the adoption of IFRS 16, which involved the recognition of amortisation on rights of use recorded for € 1,634 thousand.

The balance of **Financial income and charges** during First Half 2019 is negative for € 1,269 thousand (€ 995 thousand in First Half 2018). The increase in financial charges was impacted by the rise in bank debt used for

the new acquisitions made in the last 12 months, as well as the adoption of IFRS 16, which involved the recognition in the semester of interest expense on leases for € 172 thousand. Note should be taken of the recognition in the period of income realised on the sale of the minority investment equal to € 148 thousand.

Estimated **Income taxes**, calculated based on the tax rates envisaged for the year by the current tax laws, amounted to € 6,079 thousand. The tax rate is 30.3%, in line with the same period of the previous year (30.0%).

## Results by business segment

The results of the business segments are measured through the analysis of performance of Revenues and EBITDA. In particular, management believes that EBITDA provides a good indication of performance as it is not influenced by tax regulations and amortisation policies.

The growth trends by segment are shown in the table below, which illustrates the Revenues and EBITDA, compared to the same period of the previous year:

Abbreviated Income Statement by business segment (in thousands of Euro)	1st Half 2019	% EBITDA 1st Half 2019	1st Half 2018	% EBITDA 1st Half 2018	Change	of which change for IFRS 16	% Change			
							Total	IFRS 16	Organic	Perimeter
<b>Revenues</b>										
Digital Trust	51,745		45,682		6,063	0	13.3%	0.0%	9.6%	3.7%
Credit Information & Management	37,912		37,170		741	0	2.0%	0.0%	-6.7%	8.7%
Innovation & Marketing Services	36,935		31,656		5,278	0	16.7%	0.0%	16.7%	0.0%
Other segments (Parent Company)	0		0		0	0	0.0%	0.0%	0.0%	0.0%
<b>Total Revenues</b>	<b>126,592</b>		<b>114,510</b>		<b>12,082</b>	<b>0</b>	<b>10.6%</b>	<b>0.0%</b>	<b>6.3%</b>	<b>4.3%</b>
<b>EBITDA</b>										
Digital Trust	13,307	25.7%	11,642	25.5%	1,666	778	14.3%	6.7%	5.2%	2.5%
Credit Information & Management	9,291	24.5%	7,554	20.3%	1,736	394	23.0%	5.2%	6.9%	10.8%
Innovation & Marketing Services	17,378	47.1%	13,012	41.1%	4,366	441	33.6%	3.4%	30.2%	0.0%
Other segments (Parent Company)	-7,607	n.a.	-3,335	n.a.	-4,272	72	-128.1%	2.2%	-130.2%	0.0%
<b>Total EBITDA</b>	<b>32,369</b>	<b>25.6%</b>	<b>28,873</b>	<b>25.2%</b>	<b>3,496</b>	<b>1,685</b>	<b>12.1%</b>	<b>5.8%</b>	<b>2.4%</b>	<b>3.8%</b>

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

Abbreviated Income Statement by business segment net of non-recurring items (in thousands of Euro)	1st Half 2019	% EBITDA 1st Half 2019	1st Half 2018	% EBITDA 1st Half 2018	Change	of which change for IFRS 16	% Change			
							Total	IFRS 16	Organic	Perimeter
<b>Revenues</b>										
Digital Trust	51,745		45,503		6,242	0	13.7%	0.0%	10.0%	3.7%
Credit Information & Management	37,912		37,170		741	0	2.0%	0.0%	-6.7%	8.7%
Innovation & Marketing Services	36,935		31,656		5,278	0	16.7%	0.0%	16.7%	0.0%
Other segments (Parent Company)	0		0		0	0	0.0%	0.0%	0.0%	0.0%
<b>Total Revenues</b>	<b>126,592</b>		<b>114,330</b>		<b>12,261</b>	<b>0</b>	<b>10.7%</b>	<b>0.0%</b>	<b>6.4%</b>	<b>4.3%</b>
<b>EBITDA</b>										
Digital Trust	13,358	25.8%	11,505	25.3%	1,853	778	16.1%	6.8%	6.9%	2.5%
Credit Information & Management	9,529	25.1%	7,814	21.0%	1,716	394	22.0%	5.2%	6.9%	9.8%
Innovation & Marketing Services	17,378	47.1%	13,012	41.1%	4,366	441	33.6%	3.4%	30.2%	0.0%
Other segments (Parent Company)	-6,902	n.a.	-3,102	n.a.	-3,800	72	-122.5%	2.3%	-124.8%	0.0%
<b>Total EBITDA</b>	<b>33,363</b>	<b>26.4%</b>	<b>29,229</b>	<b>25.6%</b>	<b>4,134</b>	<b>1,685</b>	<b>14.1%</b>	<b>5.8%</b>	<b>3.8%</b>	<b>4.6%</b>

Comments on the results of the individual business segments, net of non-recurring items, are provided below.



## **Digital Trust**

Revenues from the Digital Trust segment amounted to € 51,745 thousand. The increase over First Half 2018 amounts to 13.7%, or € 6,242 thousand in absolute terms, consisting of 10.0% due to organic growth and 3.7% as a result of the changes in the perimeter. The change in the perimeter is due to the line-by-line consolidation of Camerfirma and Camerfirma Perù from 1 May 2018.

EBITDA for the segment was € 13,358 thousand. The increase over the EBITDA for First Half 2018 amounts to 16.1%. Organic growth amounted to 6.9%, while the contribution of Camerfirma and Camerfirma Perù, due to the aforementioned change in perimeter, was 2.5%. The adoption of IFRS 16 from 1 January 2019 resulted in an increase of 6.8% compared to First Half 2018. In percentage terms, the EBITDA margin (impact of EBITDA on Revenues) was 25.8%, an improvement from 25.3% in the same period of the previous year; net of the effects of the adoption of IFRS 16, the EBITDA margin (24.3%) registered a slight decrease due to the higher costs incurred with the start of e-invoicing from 1 January 2019 (support and assistance).

## **Credit Information & Management**

Revenues in the Credit Information & Management segment amounted to € 37,912 thousand. Compared to First Half 2018, an increase of 2.0% was recorded, comprising an organic decrease of 6.7% and a change in perimeter of 8.7%, as a result of the consolidation of Comas and Webber from 1 July 2018, Promozioni Servizi from 1 November 2018, and the deconsolidation of Creditreform Assicom Ticino (now Creditreform GPA Ticino) from June 2018.

EBITDA amounting to € 9,529 thousand was up 22.0% over First Half 2018; the change in perimeter amounted to 9.8% while organic growth was 6.9%. The adoption of IFRS 16 from 1 January 2019 resulted in a positive variation of 5.2% compared to First Half 2018. In percentage terms, the EBITDA margin (impact of EBITDA on Revenues) was 25.1%, an improvement from 21.0% in the same period of the previous year; also net of the effects of the adoption of IFRS 16 (24.1%).

Despite an extremely competitive market, which caused an organic reduction in revenues, the Credit Information & Management segment contributed to the Group's results with positive performances in terms of EBITDA, thanks to a careful cost control policy.

## **Innovation & Marketing Services**

Revenues from the Innovation & Marketing Services segment amounted to € 36,935 thousand. The increase over First Half 2018 amounted to 16.7%, or € 5,278 thousand in absolute terms, in line with the forecasts.

EBITDA for the segment was € 17,378 thousand. The increase over the EBITDA for the previous year amounted to 33.6%. Organic growth amounted to 30.2%. The adoption of IFRS 16 from 1 January 2019 resulted in a positive variation of 3.4% compared to First Half 2018. In percentage terms, the EBITDA margin (the ratio of EBITDA to Revenues) was 47.1%, up from 41.1% in First Half 2018; also net of the effects of the adoption of IFRS 16 the EBITDA margin grew (45.9%).



## GROUP BALANCE SHEET AND FINANCIAL POSITION

The Group's Balance Sheet at 30 June 2019 compared with 31 December 2018, is reported as follows:

<i>In thousands of Euro</i>	30/06/2019	% of Net invested capital/Total sources	31/12/2018	% of Net invested capital/Total sources	Change	% Change
Intangible assets and goodwill	270,216	97.2%	272,104	100.7%	-1,888	-0.7%
Property, plant and equipment	22,267	8.0%	8,232	3.0%	14,035	170.5%
Investment property	585	0.2%	594	0.2%	-9	-1.5%
Other net non-current assets and liabilities	-17,830	-6.4%	-18,934	-7.0%	1,104	-5.8%
<b>Net non-current assets</b>	<b>275,239</b>	<b>99.0%</b>	<b>261,997</b>	<b>96.9%</b>	<b>13,242</b>	<b>5.1%</b>
Inventories	1,344	0.5%	1,344	0.5%	0	0.0%
Contract cost assets	6,663	2.4%	6,557	2.4%	107	1.6%
Trade and other receivables* and Contract assets	95,506	34.4%	92,678	34.3%	2,828	3.1%
Current tax assets (liabilities)	-3,051	-1.1%	3,815	1.4%	-6,866	-180.0%
Assets held for sale	199	0.1%	199	0.1%	0	0.0%
Trade and other payables	-51,564	-18.6%	-53,318	-19.7%	1,754	-3.3%
Contract liabilities and deferred income	-41,564	-15.0%	-41,277	-15.3%	-287	0.7%
Current employee benefits	-4,564	-1.6%	-1,488	-0.6%	-3,076	206.7%
Current provisions for risks and charges	-288	-0.1%	-186	-0.1%	-102	55.0%
<b>Net working capital</b>	<b>2,681</b>	<b>1.0%</b>	<b>8,325</b>	<b>3.1%</b>	<b>-5,643</b>	<b>-67.8%</b>
<b>Total loans - net invested capital</b>	<b>277,920</b>	<b>100.0%</b>	<b>270,321</b>	<b>100.0%</b>	<b>7,599</b>	<b>2.8%</b>
Shareholders' Equity	137,676	49.5%	145,376	53.8%	-7,700	-5.3%
Net Financial Indebtedness	140,245	50.5%	124,946	46.2%	15,299	12.2%
<b>Total sources</b>	<b>277,920</b>	<b>100.0%</b>	<b>270,321</b>	<b>100.0%</b>	<b>7,599</b>	<b>2.8%</b>

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

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

<i>In thousands of Euro</i>	30/06/2019	31/12/2018	Change	Change %
Equity-accounted investments	12,659	12,533	127	1.0%
Other investments	22	24	-2	-10.3%
Other financial assets, excluding derivative financial instruments	1,139	1,123	16	1.5%
Derivative financial instruments	32	30	3	9.0%
Deferred tax assets	6,517	6,677	-160	-2.4%
Other receivables	778	618	160	25.8%
<b>Non-current assets</b>	<b>21,147</b>	<b>21,005</b>	<b>142</b>	<b>0.7%</b>
Provisions	-2,098	-1,945	-153	7.9%
Deferred tax liabilities	-17,172	-18,246	1,074	-5.9%
Employee benefits	-10,770	-11,353	583	-5.1%
Contract liabilities and deferred income	-8,938	-8,395	-542	6.5%
<b>Non-current liabilities</b>	<b>-38,978</b>	<b>-39,939</b>	<b>962</b>	<b>-2.4%</b>
<b>Other net non-current assets and liabilities</b>	<b>-17,830</b>	<b>-18,934</b>	<b>1,104</b>	<b>-5.8%</b>

Shareholders' Equity decreased by € 7,700 thousand. The change is the result of the following factors:

- the positive result from the Comprehensive Income Statement for the period of € 14,025 thousand;

- dividends resolved by the Group for € 16,396 thousand;
- the negative adjustment for the put options on minority interests (€ 5,274 thousand) due to the revision in estimated payments envisaged based on future expected results of the relevant companies, as well the revaluation to the passage of time;

*Net Working Capital* decreased from € 8,325 thousand at 31 December 2018 to € 2,681 thousand at 30 June 2019. The deviation was impacted by the variation in the balance of current taxes (€ -6,866 thousand) and the increase in liabilities for employee benefits (€ -3,076 thousand) due to the aforementioned Virtual Stock Option Provision targeted at Key Management Personnel. The change in *Trade and other receivables* and *Trade and other payables*, by contrast, involved an increase in *Net Working Capital* totalling € 4,582 thousand.

*Net non-current assets* amounted to € 275,239 thousand at 30 June 2019, marking an increase of € 13,242 thousand (+5.1%) compared to 31 December 2018 (€ 261,997 thousand). The increase is attributable to the recognitions of rights of use of € 15,105 thousand, booked to the item *Property, plant and equipment* due to the adoption of IFRS 16 on 1 January 2019.

## Group Net Financial Position

The table below shows a breakdown of the Group's Net Financial Indebtedness at 30 June 2019 and a comparison with the same position at 31 December 2018:

*In thousands of Euro*

	30/06/2019	31/12/2018	Change	%
A Cash	26,647	35,117	-8,470	-24.1%
B Other cash equivalents	14	19	-5	-28.2%
<b>D Liquid assets (A+B)</b>	<b>26,660</b>	<b>35,136</b>	<b>-8,476</b>	<b>-24.1%</b>
E Current financial receivables	8,246	8,186	60	0.7%
F Current bank debt	-1,174	-8,113	6,939	-85.5%
G Current portion of non-current debt	-18,342	-12,018	-6,324	52.6%
H Other current financial debt	-51,445	-77,252	25,807	-33.4%
<b>I Current financial debt (F+G+H)</b>	<b>-70,961</b>	<b>-97,384</b>	<b>26,422</b>	<b>-27.1%</b>
<b>J Net current financial position (Indebtedness) (D+E+I)</b>	<b>-36,055</b>	<b>-54,062</b>	<b>18,007</b>	<b>-33.3%</b>
K Non-current bank debt	-86,548	-45,706	-40,842	89.4%
L Other non-current financial debt	-17,642	-25,178	7,536	-29.9%
<b>M Non-current financial debt (K+L)</b>	<b>-104,190</b>	<b>-70,884</b>	<b>-33,306</b>	<b>47.0%</b>
<b>N Net Financial Position (Indebtedness) (J+M) (*)</b>	<b>-140,245</b>	<b>-124,946</b>	<b>-15,299</b>	<b>12.2%</b>
O Other non-current financial assets	1,171	1,152	19	1.6%
<b>P Total Net Financial Position (Indebtedness) (N+O)</b>	<b>-139,073</b>	<b>-123,793</b>	<b>-15,280</b>	<b>12.3%</b>

(\*) Net Financial Indebtedness calculated in accordance with the provisions of Consob Communication no. 6064293 of 28 July 2006 and consistent with the ESMA/2013/319 Recommendation

Net Financial Indebtedness amounted to € 140,245 thousand, marking an increase compared to € 15,299 thousand at 31 December 2018. The adoption of IFRS 16 at 1 January 2019 involved the recognition of additional lease liabilities of € 14,673 thousand as at 30 June 2019. Net Financial Indebtedness at 30 June 2019 includes: € 35,042 thousand in liabilities linked to the purchase of minority interests for put options (€ 59,070 thousand at 31 December 2018) liabilities for contingent consideration linked to the acquisitions for € 6,408 thousand (€ 1,227 thousand at 31 December 2018) and liabilities for price deferrals granted by sellers for € 8,259 thousand (€ 10,736 thousand at 31 December 2018).

On 28 June 2019, Tinexta S.p.A. repaid, within the terms set forth contractually, the entire loan of € 25 million extended by the Controlling Shareholder Tecno Holding S.p.A., which was financed by using bank credit lines.

The main factors impacting the change in Net Financial Indebtedness are summarised below.

	<i>In thousands of Euro</i>
<b>Net Financial Indebtedness at 31/12/2018</b>	<b>124,946</b>
Free Cash Flow	-23,751
Dividends resolved	16,396
FTA IFRS 16	15,043
Adjustment for put options	5,274
Net financial (income) charges	1,416
New leases	1,019
Sale of minority investments	-150
Other residual	52
<b>Net Financial Indebtedness at 30/06/2019</b>	<b>140,245</b>

- The *Free Cash Flow* generated during the period amounted to € 23,751 thousand, of which € 29,466 thousand in *Net cash and cash equivalents generated by operations*, excluding € 5,716 thousand absorbed by investments in *Property, plant and equipment* and *Intangible assets*. The *Free Cash Flow* figure increased 4.5% compared to First Half 2018 (€ 22,730 thousand). The increase was affected by the adoption of IFRS 16 (+7.0%), which involved the shifting of the cash flows relating to operating lease payments according to IAS 17 from operating activities to financing activities.
- The adoption of IFRS 16 at 1 January 2019 involved the recognition of financial lease liabilities of € 15,043 thousand. In First Half 2019, the new leases signed involved the recognition of financial liabilities of € 1,019 thousand. Taking into account the payments and interest accrued during the first half, the impact of IFRS 16 on the net financial debt as at 30 June had an impact of € 14,673 thousand.
- *Dividends resolved* for € 16,396 thousand, of which € 10,691 thousand by Tinexta S.p.A. and € 5,705 thousand by Group companies to minorities.
- *Adjustment for put options* for € 5,274 thousand, due to the revision in estimated payments envisaged based on future expected results of the relevant companies and due to the revaluation due to the passage of time.
- *Net financial charges* for € 1,416 thousand, considered net of the income of € 148 thousand relating to the capital gain generated by the sale of a minority investment for € 150 thousand.

## KEY EVENTS SUBSEQUENT TO THE END OF THE PERIOD

On **19 July 2019**, the options were exercised on the remaining 10% of the share capital of Co.Mark S.p.A., as defined in the Option Contract entered into at the time of acquisition for an amount of € 5,219 thousand. Thanks to this transaction, Tinexta wholly owns Co.Mark S.p.A. that operates in the Innovation & Marketing Services sector. The transaction was financed by using the loan concluded with the Intesa Sanpaolo Group on 28 March 2019.

On the same date, Tinexta concluded two *Interest rate swaps* with Banca Intesa Sanpaolo. The transactions were entered into to hedge the floating rate financing stipulated with the Intesa Sanpaolo Group 28 March 2019. Through these transactions, Tinexta synthetically fixed the total cost of the entire debt of € 50 million at a fixed rate of 1.237%, against an interest rate of the floating rate loan (and therefore exposed to growth in interest rates).

On **24 July 2019**, Tinexta completed another interest rate swap with Crédit Agricole. The transaction was entered into to hedge the floating rate loan contracted on 4 December 2018 for a total of € 15 million, which was used on 28 June to repay the loan to the Controlling shareholder Tecno Holding. Through this transaction, Tinexta synthetically fixed the total cost of the entire debt of € 15 million at a fixed rate of 1.28%, against an interest rate of the floating rate loan (and therefore exposed to growth in interest rates).

On **30 July 2019** Tinexta S.p.A., pursuant to the purchase contract signed on 9 June 2016, exercised the options on the remaining 40% of the share capital of Visura S.p.A., thereby obtaining the complete ownership of the company. The consideration was set as € 15,372 thousand for the purchase of 40% of the share capital of Visura. The transaction was financed by using € 11,887 thousand of the loan concluded with the Intesa Sanpaolo Group on 28 March and with internal resources for the remaining amount.

## TRANSACTIONS WITH RELATED PARTIES

Transactions with Related Parties of the Group do not qualify as atypical nor as unusual, as they are part of the normal activities of the Group. These transactions are carried out on behalf of the Group at normal market conditions. Reference should be made to the section “Transactions with Related Parties” in the Notes for further information on transactions with Related Parties.

## BUSINESS OUTLOOK

In First Half 2019, Tinexta continued to implement the strategy of:

- consolidating its leadership of the Digital Trust in the European market;
- developing an innovative offering with digital marketing, digital transformation and cyber security services/products;
- implementing a new organisational model to strengthen business support and seize all the growth opportunities offered by presence in multiple markets.

In light of the positive results achieved in the First Half, Tinexta confirms its 2019 growth targets in line with the guidance already announced last 12 March:

- Revenues of more than € 250 million;
- EBIDTA between € 68 million and € 70 million.

It should be noted that the guidance does not include the impact of IFRS 16.

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**30 June 2019**

**Statements and Notes**

# Consolidated Financial Statements

## Consolidated Statement of Financial Position

<i>In thousands of Euro</i>	Notes	30/06/2019	31/12/2018 <sup>1 2</sup>
<b>ASSETS</b>			
Property, plant and equipment	13	22,267	8,232
Intangible assets and goodwill	14	270,216	272,104
Investment property	15	585	594
Equity-accounted investments	16	12,659	12,533
Other investments	16	22	24
Other financial assets, excluding derivative financial instruments	17	1,139	1,123
- of which vs. Related Parties	44	0	8
Derivative financial instruments	25	32	30
Deferred tax assets	18	6,517	6,677
Trade and other receivables	21	1,217	830
Contract cost assets	19	5,001	5,000
<b>NON-CURRENT ASSETS</b>		<b>319,656</b>	<b>307,148</b>
Inventories	22	1,344	1,344
Other financial assets, excluding derivative financial instruments	23	8,246	8,186
Current tax assets	24	1,297	4,519
- of which vs. Related Parties	44	458	458
Trade and other receivables	21	88,816	86,321
- of which vs. Related Parties	44	154	44
Contract assets	20	6,250	6,145
Contract cost assets	19	1,662	1,556
Cash and cash equivalents	26	26,660	35,136
Assets held for sale	13	199	199
<b>CURRENT ASSETS</b>		<b>134,475</b>	<b>143,407</b>
<b>TOTAL ASSETS</b>		<b>454,132</b>	<b>450,555</b>
<b>EQUITY AND LIABILITIES</b>			
Share Capital		46,890	46,890
Reserves		87,264	94,729
<i>Shareholders' Equity attributable to the Group</i>		<i>134,154</i>	<i>141,619</i>
<i>Minority interests</i>		<i>3,522</i>	<i>3,757</i>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>27</b>	<b>137,676</b>	<b>145,376</b>
<b>LIABILITIES</b>			
Provisions	28	2,098	1,945
Employee benefits	29	10,770	11,353
Financial liabilities, excluding derivative financial instruments	30	103,960	70,667
- of which vs. Related Parties	44	1,796	0
Derivative financial instruments	25	230	217
Deferred tax liabilities	18	17,172	18,246
Contract liabilities	32	8,938	8,395
- of which vs. Related Parties	44	19	0
<b>NON-CURRENT LIABILITIES</b>		<b>143,167</b>	<b>110,823</b>
Provisions	28	288	186
Employee benefits	29	4,564	1,488
Financial liabilities, excluding derivative financial instruments	30	70,961	97,380
- of which vs. Related Parties	44	858	25,252
Derivative financial instruments	25	0	3
Trade and other payables	31	51,564	53,318
- of which vs. Related Parties	44	168	274
Contract liabilities	32	40,617	40,587
- of which vs. Related Parties	44	19	0
Deferred income	33	947	690
Current tax liabilities	24	4,347	704
<b>CURRENT LIABILITIES</b>		<b>173,289</b>	<b>194,356</b>
<b>TOTAL LIABILITIES</b>		<b>316,456</b>	<b>305,179</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>454,132</b>	<b>450,555</b>

<sup>1</sup>The comparative data at 31 December 2018 were re-stated in relation to the completion, in First Half 2019, of the identification of the fair values of the assets and liabilities of Comas S.r.l. and Webber S.r.l. consolidated on a line-by-line basis from 1 July 2018, as well as of Promozioni Servizi S.r.l. consolidated on a line-by-line basis from 1 November 2018.

<sup>2</sup>Since 1 January 2019, the Group has adopted IFRS 16 "Leases", retrospectively with the cumulative effect of initially applying the Standard recognised at 1 January 2019. Comparative 2018 data have not been restated.

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

<i>In thousands of Euro</i>	Notes	<i>Six-month period closed at 30 June</i>	
		2019	2018 <sup>3 4</sup>
<b>Revenues</b>	<b>34</b>	<b>126,592</b>	<b>114,510</b>
- of which vs. Related Parties	44	20	1,145
- of which non-recurring	34	0	179
Costs of raw materials	35	3,415	2,875
Service costs	36	40,731	38,657
- of which vs. Related Parties	44	502	635
- of which non-recurring	36	755	401
Personnel costs	37	44,593	38,447
- of which non-recurring	37	239	134
Contract costs	38	4,191	4,644
Other operating costs	39	1,293	1,014
- of which vs. Related Parties	44	0	3
Amortisation/Depreciation	40	9,730	7,167
Provisions	40	132	-117
Impairment	40	1,158	890
<b>Total Costs</b>		<b>105,242</b>	<b>93,577</b>
<b>OPERATING PROFIT</b>		<b>21,350</b>	<b>20,933</b>
Financial income	41	226	82
- of which non-recurring	41	148	0
Financial charges	41	1,494	1,077
- of which vs. Related Parties	44	284	248
<b>Net financial income (charges)</b>		<b>-1,269</b>	<b>-995</b>
Share of profit of equity-accounted investments, net of tax	16	15	30
<b>PROFIT BEFORE TAX</b>		<b>20,096</b>	<b>19,968</b>
Income taxes	42	6,079	5,997
- of which non-recurring	42	-483	-104
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>		<b>14,016</b>	<b>13,972</b>
Profit (loss) from discontinued operations		0	0
<b>NET PROFIT</b>		<b>14,016</b>	<b>13,972</b>
<b>Other components of the comprehensive Income Statement</b>			
<i>Components that will never be reclassified to profit or loss</i>			
<b>Total components that will never be reclassified to profit or loss</b>		<b>0</b>	<b>0</b>
<i>Components that are or may be later reclassified to profit or loss:</i>			
Exchange rate differences from the translation of foreign financial statements		7	0
Profits (losses) from measurement at fair value of derivative financial instruments	25	-2	6
Equity-accounted investments - share of OCI	16	3	-1
Tax effect		1	-1
<b>Total components that are or may be later reclassified to profit (loss)</b>		<b>8</b>	<b>4</b>
<b>Total other components of comprehensive income, net of tax</b>		<b>8</b>	<b>4</b>
<b>Total comprehensive income for the period</b>		<b>14,025</b>	<b>13,976</b>
<b>Net Profit attributable to:</b>			
Group		13,758	13,578
Minority interests		258	394
<b>Total comprehensive income for the period attributable to:</b>			
Group		13,763	13,582
Minority interests		261	394
<b>Earnings per share</b>			
Basic earnings per share (Euro)	43	0.29	0.29
Diluted earnings per share (Euro)	43	0.29	0.29

<sup>3</sup>The comparative data for First Half 2018 were restated due to the completion during Fourth Quarter 2018 of activities to identify the fair values of the assets and liabilities of Warrant Hub S.p.A. and its subsidiaries, consolidated on a line-by-line basis from 1 December 2017, as well as the completion in Fourth Quarter 2018 of the activities to identify the fair values of the assets and liabilities of AC Camerfirma S.A., consolidated on a line-by-line basis from 1 May 2018.

<sup>4</sup>Since 1 January 2019, the Group has adopted IFRS 16 "Leases", retrospectively with the cumulative effect of initially applying the Standard recognised at 1 January 2019. Comparative 2018 data have not been restated.

## Consolidated Statement of Changes in Equity

<i>Six-month period closed at 30 June 2019</i>									
In thousands of Euro	Share capital	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Other reserves	Shareholders' Equity attributable to the Group	Minority interests	Consolidated Shareholders' Equity
<b>Balance at 1 January 2019</b>	46,890	2,031	54,678	-181	-361	38,561	141,619	3,757	145,376
<i>Comprehensive income for the period</i>									
Profit for the period						13,758	13,758	258	14,016
Other components of the comprehensive Income Statement				-1		6	5	3	8
<i>Total comprehensive income for the period</i>	0	0	0	-1	0	13,764	13,763	261	14,025
<i>Transactions with Shareholders</i>									
Dividends						-15,900	-15,900	-496	-16,396
Allocation to legal reserve		1,081				-1,081	0		0
Adjustment of put option on minority interests						-5,274	-5,274		-5,274
Other changes						-55	-55		-55
<i>Total transactions with Shareholders</i>	0	1,081	0	0	0	-22,310	-21,229	-496	-21,725
<b>Balance at 30 June 2019</b>	46,890	3,112	54,678	-182	-361	30,016	134,154	3,522	137,676

<i>Six-month period closed at 30 June 2018</i>									
In thousands of Euro	Share capital	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Other reserves	Shareholders' Equity attributable to the Group	Minority interests	Consolidated Shareholders' Equity
<b>Balance at 31 December 2017</b>	46,573	1,433	53,917	-154	-395	41,301	142,676	537	143,213
Effect of adoption of IFRS 15						-8,387	-8,387	-5	-8,391
Effect of adoption of IFRS 9						519	519		519
<b>Balance at 1 January 2018</b>	46,573	1,433	53,917	-154	-395	33,433	134,807	532	135,340
<i>Comprehensive income for the period</i>									
Profit for the period						13,578	13,578	394	13,972
Other components of the comprehensive Income Statement				5		-1	4	0	4
<i>Total comprehensive income for the period</i>	0	0	0	5	0	13,577	13,582	394	13,976
<i>Transactions with Shareholders</i>									
Dividends						-11,629	-11,629	-437	-12,067
Allocation to legal reserve		598				-598	0		0
Adjustment of put option on minority interests						-2,550	-2,550		-2,550
Acquisitions							0	3,000	3,000
Other changes						-11	-11	26	14
<i>Total transactions with Shareholders</i>	0	598	0	0	0	-14,789	-14,191	2,588	-11,603
<b>Balance at 30 June 2018</b>	46,573	2,031	53,917	-149	-395	32,220	134,197	3,516	137,713



## Consolidated Statement of Cash Flows

<i>In thousands of Euro</i>	<i>Six-month period closed at 30 June</i>		
	Notes	2019	2018
<i>Cash flows from operations</i>			
Net Profit		14,016	13,972
Adjustments for:			
- Depreciation of property, plant and equipment	40	3,329	1,775
- Amortisation of intangible assets	40	6,392	5,392
- Depreciation of investment property	40	9	0
- Impairment (Revaluations)	40	1,158	890
- Provisions	40	132	-117
- Contract costs	38	4,191	4,644
- Net financial charges (income)	41	1,269	995
- <i>of which vs. Related Parties</i>	44	284	248
- Share of profit of equity-accounted investments	16	-15	-30
- Income taxes	42	6,079	5,997
Changes in:			
- Inventories	22	0	101
- Contract cost assets	19	-4,297	-6,749
- Trade and other receivables and Contract assets	20.21	-4,486	-8,107
- <i>of which vs. Related Parties</i>	44	-110	90
- Trade and other payables	31	-1,754	3,800
- <i>of which vs. Related Parties</i>	44	-106	-15
- Provisions and employee benefits	28.29	2,748	349
- Contract liabilities and deferred income, including public contributions	32.33	830	7,076
<b>Cash and cash equivalents generated by operations</b>		<b>29,600</b>	<b>29,987</b>
Income taxes paid		-134	-112
<b>Net cash and cash equivalents generated by operations</b>		<b>29,466</b>	<b>29,875</b>
<i>Cash flows from investments</i>			
Interest collected		8	39
Collections from sale or repayment of financial assets		185	450
Investments in shareholdings consolidated using the equity method		-27	0
Investments in property, plant and equipment	13	-1,212	-1,414
Investments in intangible assets	14	-4,504	-5,730
Increases in the scope of consolidation, net of liquidity acquired		0	286
Decreases in the scope of consolidation, net of liquidity sold		0	-23
<b>Net cash and cash equivalents generated/(absorbed) by investing activities</b>		<b>-5,550</b>	<b>-6,392</b>
<i>Cash flows from financing</i>			
Purchase of minority interests in subsidiaries	30	-22,895	0
Repayment of loans extended by Controlling Shareholder	30	-25,000	0
- <i>of which vs. Related Parties</i>	44	-25,000	0
Interest paid	30	-1,080	-799
- <i>of which vs. Related Parties</i>		-270	-252
MLT bank loans taken out	30	51,886	0
Repayment of MLT bank loans	30	-5,607	-3,976
Repayment of price deferment liabilities on acquisitions of equity investments	30	-2,383	-1,522
Repayment of contingent consideration liabilities	30	-1,347	-372
Change in other current bank payables	30	-6,345	-486
Change in other current financial payables	30	-1,691	767
Repayment of lease liabilities	30	-1,542	-119
- <i>of which vs. Related Parties</i>		-291	0
Capital increases - subsidiaries		0	2
Dividends paid		-16,389	-10,611
<b>Net cash and cash equivalents generated/(absorbed) by financing</b>		<b>-32,392</b>	<b>-17,117</b>
Net increase (decrease) in cash and cash equivalents		-8,476	6,366
Cash and cash equivalents at 1 January		35,136	36,987
<b>Cash and cash equivalents at 30 June</b>		<b>26,660</b>	<b>43,352</b>

## Notes to the condensed interim consolidated financial statements at 30 June 2019

### 1. ENTITY THAT PREPARES THE FINANCIAL STATEMENTS

Tinexta S.p.A. (the “Parent Company” or “Company”) has its offices in Italy. The Condensed Interim Consolidated Financial Statements at 30 June 2019 include the financial statements of the Parent Company and its subsidiaries (jointly, the “Group”). The Group is mainly active in the Digital Trust, Credit Information & Management and Innovation & Marketing Services sectors. These Condensed Interim Consolidated Financial Statements at 30 June 2019 were approved and authorised for publication by the Board of Directors of Tinexta S.p.A. at its meeting on 5 August 2019.

The Shares of the Parent Company are listed on the Electronic Equity Market (MTA) managed by Borsa Italiana S.p.A., STAR segment. At the date of preparation of these Condensed Interim Consolidated Financial Statements, Tecno Holding S.p.A. (the ‘Controlling Shareholder’) is the shareholder with an absolute majority of Tinexta S.p.A. shares. The Controlling Shareholder does not exercise management nor coordination activities for Tinexta.

### 2. PREPARATION CRITERIA AND COMPLIANCE WITH IFRS

These Condensed Interim Consolidated Financial Statements prepared in accordance with art. 154-ter of Legislative Decree no. 58/98 - CFA - and subsequent amendments and additions, have been prepared in accordance with the International Financial Reporting Standards (IFRS), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), approved by the European Commission and in force at the reporting date, as well as the previous International Accounting Standards (IAS). In particular, said Condensed Interim Consolidated Financial Statements prepared in accordance with IAS 34 “Interim Financial Statements” do not include all the information required by the annual financial statements and should be read together with the Consolidated Financial Statements for the year ended 31 December 2018 (the “last financial statements”) filed at the head office of the Company and available on the website [www.tinexta.com](http://www.tinexta.com).

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

### 3. PRESENTATION CRITERIA

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

It is specified that:

- the Statement of Financial Position has been prepared by classifying assets and liabilities according to the “current/non-current” criteria;
- the Statement of Profit/(Loss) and Other comprehensive income is classified on the basis of the nature of costs;
- the Statement of Cash Flows is presented using the indirect method.

In accordance with Consob Resolution no. 15519 of 28 July 2006, the Statement of Profit/(Loss) separately identifies, if any, income and charges arising from non-recurring transactions; similarly, shown separately in the Financial Statements are the Balances of transactions with Related Parties which are further described in Note 44. *Transactions with Related Parties*.

The Condensed Interim Consolidated Financial Statements are presented in Euro, the functional currency of the Parent Company and its subsidiaries (except for Camerfirma Perù S.A.C., whose functional currency is the PEN) and all values are expressed in Euro thousands unless otherwise indicated.

The accounting standards adopted for the preparation of these Condensed Interim Consolidated Financial Statements are the same as those adopted for the drafting of the Group's annual Consolidated Financial Statements for the year ended 31 December 2018, with the exception of the new standards applied from 1 January 2019 (indicated in Note 7: *New standards or amendments for 2019 and future requirements*). Specifically, IFRS 16 "Leases" led to changes in accounting policies and in some cases adjustments to the amounts entered in the financial statements (the effects of the adoption of said standards are illustrated in detail in aforementioned Note 7).

#### **4. SCOPE OF CONSOLIDATION AND CONSOLIDATION CRITERIA**

The Condensed Interim Consolidated Financial Statements include the Financial Statements of the Parent Company Tinexta S.p.A. and the companies on which the Company has the right to exercise control, directly or indirectly, as defined by IFRS 10 "Consolidated Financial Statements".

For the purposes of the assessment of the existence of control, the three necessary elements are all present:

- power to control the company;
- exposure to the risk or the rights deriving from the variable returns linked to its involvement;
- ability to influence the company, to the extent of conditioning the results (positive or negative) for the investor (correlation between power and exposure to risks and benefits).

Control can be exercised both on the basis of the direct or indirect possession of the majority of the shares with voting rights, on the basis of contractual or legal agreements, independently from the possession of stocks. In assessing these rights, we take into account the power to exercise these rights independently from their effective exercise and all potential voting rights are considered.

The list of companies consolidated on a line-by-line basis or with the equity method at 30 June 2019 is shown in the following table.

Company	Registered office	at 30 June 2019					
		Share capital		% ownership	via	% contribution to the Group	Consolidation method
		Amount (in thousands of Euro)	Currency				
Tinexta S.p.A. (Parent Company)	Rome	46,890	Euro	n.a.	n.a.	n.a.	n.a.
InfoCert S.p.A.	Rome	17,705	Euro	99.99%	n.a.	99.99%	Line-by-line
Innolva S.p.A.	Buja (UD)	3,000	Euro	100.00%	n.a.	100.00%	Line-by-line
Re Valuta S.p.A.	Milan	200	Euro	83.13%	n.a.	95.00%	Line-by-line
Co.Mark S.p.A.	Bergamo	150	Euro	90.00%	n.a.	100.00%	Line-by-line
Visura S.p.A.	Rome	1,000	Euro	60.00%	n.a.	100.00%	Line-by-line
Warrant Hub S.p.A.	Correggio (RE)	58	Euro	90.25%	n.a.	100.00%	Line-by-line
Sixtema S.p.A.	Rome	6,180	Euro	80.00%	InfoCert S.p.A.	99.99%	Line-by-line
AC Camerfirma S.A.	Spain	3,420	Euro	51.00%	InfoCert S.p.A.	50.99%	Line-by-line
Comas S.r.l.	Arezzo	100	Euro	100.00%	Innolva S.p.A.	100.00%	Line-by-line
Webber S.r.l.	Arezzo	10	Euro	100.00%	Innolva S.p.A.	100.00%	Line-by-line
Promozioni Servizi S.r.l.	Vicenza	10	Euro	100.00%	Innolva S.p.A.	100.00%	Line-by-line
Innolva Relazioni Investigative S.r.l.	Brescia	10	Euro	100.00%	Innolva S.p.A.	100.00%	Line-by-line
Co.Mark TES S.L.	Spain	36	Euro	99.00%	Co.Mark S.p.A.	99.00%	Line-by-line
Warrant Innovation Lab S.r.l.	Correggio (RE)	25	Euro	98.41%	Warrant Hub S.p.A.	98.41%	Line-by-line
Warrant Service S.r.l.;	Correggio (RE)	40	Euro	50.00%	Warrant Hub S.p.A.	50.00%	Line-by-line
Bewarrant S.p.r.l.	Belgium	12	Euro	100.00%	Warrant Hub S.p.A.	100.00%	Line-by-line
Camerfirma Perù S.A.C	Peru	84	PEN	99.99%	AC Camerfirma S.A.	50.98%	Line-by-line
Lux Trust S.A.	Luxembourg	12,416	Euro	50.00%	InfoCert S.p.A.	50.00%	Equity
Etuitus S.r.l.	Salerno	50	Euro	24.00%	InfoCert S.p.A.	24.00%	Equity
Camerfirma Colombia S.A.S.	Colombia	1,200,000,000	COP	25.00%	AC Camerfirma S.A.	25.00%	Equity
Creditreform GPA Ticino S.A.	Switzerland	100	CHF	30.00%	Innolva S.p.A.	30.00%	Equity
Innovazione 2 Sagl	Switzerland	20	CHF	30.00%	Warrant Hub S.p.A.	30.00%	Equity

The percentage of ownership indicated in the table refers to the portions actually owned by the Group at the reporting date. The percentage of contribution refers to the contribution to the Group's Shareholders' Equity by the individual company as a result of recognition of the additional equity investment in the consolidated company as a result of the recognition of the Put options granted to the minority shareholders on the portions in their possession.

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

All accounting positions used for the preparation of the Condensed Interim Consolidated Financial Statements have been drafted at 30 June 2019 and adjusted, where necessary, to make them consistent with the accounting standards applied by the Parent Company.

The criteria adopted for line-by-line consolidation are the following:

- assets and liabilities, charges and income of the subsidiaries are consolidated line by line, attributing to the minority shareholders, if applicable, the portion of Shareholders' Equity and Net Profit for the period that pertains to them; these portions are shown separately within Shareholders' Equity and the Income Statement.
- business combinations are recognised in accordance with the provisions of IFRS 3 Business Combinations according to the Acquisition method. The cost of acquisition is represented by the current value ("fair value") at the time of the acquisition of the assets sold, the liabilities taken on and the equity instruments issued. The identifiable assets, liabilities and potential liabilities acquired are recognised at their current value at the time of the acquisition, with the exception of deferred tax assets and liabilities, assets and liabilities for employee benefit obligations, and assets held for sale, which are recognised on the basis of the corresponding reference accounting standards. The difference between the cost of acquisition and the current value of the assets and liabilities acquired is recognised as goodwill in intangible assets, if positive; if negative, after checking the correct measurement of the current values of the assets and liabilities acquired and the acquisition cost, it is recognised directly in the Income Statement, as income.
- The accessory charges related to the acquisition are recognised in the Income Statement at the time in which the services are provided.
- In the case of purchase of controlling interests of less than 100% of share capital, goodwill is recognised only for the part attributable to the Parent Company. The value of minority interests is calculated in proportion to the portions of equity investment held by third parties in the net identifiable assets of the acquired company.
- If the business combination was carried out in multiple stages, at the time of the acquisition of the control the equity investments previously held are re-measured at fair value and any difference (positive or negative) is recognised in the Income Statement.
- In the case of the purchase of minority interests, after control has been obtained, the positive differential between acquisition cost and the carrying amount of the minority interests acquired is deducted from the equity of the Parent Company. In the case of sales of equity investments that do not involve a loss of control, instead, the difference between sale price and carrying amount of the equity investments sold is recognised directly to Shareholders' Equity (as an increase), without passing through the Income Statement.
- The items deriving from relations between the consolidated companies are cancelled, especially those deriving from outstanding receivables and payables at the end of the year, costs and revenues as well as financial charges and income recognised in the income statements of these companies. Realised profits and losses between the consolidated companies with the related tax adjustments are also cancelled.

## ASSOCIATED COMPANIES

Associated companies are those on which the Group exercises a significant influence, which is assumed to exist when the equity participation holds between 20% and 50% of voting rights. Investments in associated companies are valued with the equity method and are initially recognised at cost. The equity method is described below:

- the carrying amount of the equity investments is aligned with the Shareholders' Equity adjusted, if necessary, to reflect the application of IFRS and includes the recognition of the greater/lower values allocated to the assets and to the liabilities, and any goodwill identified at the time of the acquisition;
- the profits or losses attributable to the Group are recognised from the date on which the significant influence starts and until the date the significant influence ceases. If, as a result of the losses, the Company measured with the method in question reports negative equity, the carrying value of the

equity investment is cancelled and any excess attributable to the Group, where the latter is committed to fulfil legal or implicit obligations of the associated company, or in any case to cover its losses, is recognised in a specific reserve; the changes in the equity of the Company valued with the equity method are not represented in the Income Statement, but are recognised directly among the other components of comprehensive income;

- unrealised profits and losses on transactions carried out between the Company/subsidiaries and the associated company measured with the equity method, including distributed dividends, are eliminated on the basis of the value of the equity investment of the Group in the associated company, excluding losses if these are representative of a decrease in value of the underlying assets.

## **5. TRANSLATION OF FINANCIAL STATEMENTS EXPRESSED IN CURRENCIES OTHER THAN THE PRESENTATION CURRENCY**

The rules for the translation of the Financial Statements expressed in currencies different from the currency of presentation (excluding situations in which the currency belongs to a hyper-inflation country, which is not the case for the Group), are the following:

- assets and liabilities included in the statements presented are translated at the exchange rate at the end for the period;
- costs and revenues, charges and income included in the statements presented are translated at the average exchange rate of the period, or else at the exchange rate at the time of the transaction if this differs significantly from the average exchange rate;
- the “translation reserve” includes both the exchange rate differences generated from the conversion of income statement items at a rate different from that at the end of the period and those generated from the translation of net opening assets at an exchange rate different from that at the end of the reporting period. The translation reserve is transferred to the Income Statement at the time of the full or partial sale of the equity investment when this sale involves the loss of control.

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

## **6. SEGMENT REPORTING**

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

An operating segment is defined by IFRS 8 as the component of an entity (i) that carries out business activities generating revenues and costs (including revenues and costs for transactions with other components of the same entity); (ii) the operating results of which are reviewed regularly at the highest decisional level of the entity to make decisions on the resources to be allocated to the sector and the measurement of the performance; (iii) for which separate financial statement information is available.

The operating units identified by management, which encompass all the services and products provided to the clients, are:

- *Digital Trust*
- *Credit Information & Management*
- *Innovation & Marketing Services*

With respect to First Half 2018, the Group has adopted IFRS 16 “Leases” which led to changes in accounting policies and adjustments to the amounts entered in the financial statements; the comparative data for 2018 have not been restated.

With respect to First Half 2018, the consolidated economic data of First Half 2019:

- include the balances for the months from January to April of Camerfirma and Camerfirma Perù (Digital Trust segment), consolidated as of 1 May 2018;
- include the balances for First Half 2019 of Comas and Webber (Credit Information & Management segment), consolidated as of 1 July 2018;
- include the balances for First Half 2019 Promozioni Servizi (Credit Information & Management segment), consolidated as of 1 November 2018;
- does not include the balances for the first five months of Creditreform Assicom Ticino, now Creditreform GPA Ticino (Credit Information & Management segment), deconsolidated as of 1 June 2018;

The results of the operating segments are measured and revised periodically by management by analysing trends in EBITDA, defined as “Net Profit” before “Income taxes”, “Net financial income (charges)”, “Portion of profits from equity-accounted investments”, “Amortisation/depreciation”, “Provisions” and “Impairment”, i.e., as “Revenues” net of “Costs of raw materials”, “Service costs”, “Personnel costs”, “Contract costs” and “Other operating costs”.

Specifically, management believes that EBITDA provides a good indication of the performance since it is not influenced by tax laws and amortisation policies.

We provide below the representation of the Revenues and EBITDA for the individual operating units.

<i>Amounts in thousands of Euro</i> <i>Six-month period closed at 30 June</i>	<i>Digital Trust</i>		<i>Credit Information &amp; Management</i>		<i>Innovation &amp; Marketing Services</i>		<i>Other sectors (Parent Company)</i>		<i>Total</i>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Segment revenues	51,949	45,799	38,068	37,296	36,961	31,656	556	330	127,535	115,082
Intra-segment revenues	204	117	156	125	27	0	556	330	943	572
<b>Revenue from external customers</b>	<b>51,745</b>	<b>45,682</b>	<b>37,912</b>	<b>37,170</b>	<b>36,935</b>	<b>31,656</b>	<b>0</b>	<b>0</b>	<b>126,592</b>	<b>114,510</b>
<b>EBITDA</b>	<b>13,307</b>	<b>11,642</b>	<b>9,291</b>	<b>7,554</b>	<b>17,378</b>	<b>13,012</b>	<b>-7,607</b>	<b>-3,335</b>	<b>32,369</b>	<b>28,873</b>
Amortisation/depreciation, provisions and impairment									11,019	7,940
<b>Operating Profit</b>									<b>21,350</b>	<b>20,933</b>
Net financial income (charges)									-1,269	-995
Profit of equity-accounted investments									15	30
<b>Profit before tax</b>									<b>20,096</b>	<b>19,968</b>
Income taxes									6,079	5,997
<b>Net Profit</b>									<b>14,016</b>	<b>13,972</b>



We provide below the breakdown of the assets and liabilities by business units.

Amounts in thousands of Euro	Digital Trust		Credit Information & Management		Innovation & Marketing Services		Other sectors (Parent Company)		Total	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018	30/06/2019	31/12/2018	30/06/2019	31/12/2018	30/06/2019	31/12/2018
<i>Amounts in thousands of Euro</i>										
Assets	140,159	134,582	159,997	170,933	157,937	163,281	-3,963	-18,241	454,132	450,555
Liabilities	106,574	89,455	73,684	68,863	113,887	112,332	22,310	34,528	316,456	305,179

## 7. NEW STANDARDS OR AMENDMENTS FOR 2019 AND FUTURE REQUIREMENTS

### ACCOUNTING STANDARDS AND AMENDMENTS TO THE STANDARDS ADOPTED BY THE COMPANY

a) From 1 January 2019, the Group adopted the following new accounting standards:

- On 13 January 2016, the IASB published the new standard IFRS 16 - "Leases", which replaces the current provisions related to leases, including IAS 17 - "Leases", IFRIC 4 - "Determining Whether an Arrangement Contains a Lease", SIC 15 - "Operating Leases: Incentives", and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease". IFRS 16 is applicable from 1 January 2019. Endorsement by the EU took place on 31 October 2017 with Regulation no. 1986.

IFRS 16 establishes the principles for recognising, measuring, presenting and providing disclosure on lease agreements and requires lessees to account for all leases according to a single accounting model similar to the method used to account for finance leases under IAS 17. The standard includes two recognition exemptions for lessees - leases for "low value" assets (such as personal computers) and short-term leases (for a period of less than or equal to 12 months). At the start date of a lease, the lessee recognises a liability relating to the rent to be paid (i.e., the lease liability) and an asset representing the right to use the underlying asset for the term of the lease (i.e., the right of use). The lessees are required to recognise interest expense on the lease liability and amortisation on the right of use separately. Lessees are also required to reconsider the amount of the lease liability when certain events taken place (i.e., a change in the term of the lease, a change in future payments arising from changes in the index or the rate used to determine such payments). The lessee will generally recognise the difference from the remeasurement of the lease liability amount as an adjustment to the right of use. The accounting method for the lessor under IFRS 16 remains basically the same as the accounting policy set forth under IAS 17. Lessors continue to classify all leases using the classification principle set forth in IAS 17 and distinguish between two types of leases: operating and finance.

The Group has adopted IFRS 16 for leases previously classified as operating leases in accordance with IAS 17 by retrospectively accounting with the cumulative effect of the initial application of the standard at the initial application date (1 January 2019). The Group recognised the right of use asset at the date of initial application in an amount equal to the lease liability adjusted by the amount of any deferred assets or accrued charges relating to the leases recognised in the Statement of Financial Position at 31 December 2018.

The adjustment to IFRS 16 as at 1 January 2019 involved the recognition of higher financial lease liabilities of € 15,043 thousand with a contra-item in the form of the recognition of assets for rights of use of € 15,105 thousand under *Property, plant and equipment*; the differential is represented by



the amount of prepaid expenses recorded in the statement of financial position as at 31 December 2018.

The introduction of IFRS 16 involved the following effects on the Income Statement for the period:

- lower operating costs of € 1,685 thousand;
- higher amortisation/depreciation of € 1,634 thousand;
- higher financial expenses of € 172 thousand.

The Group made use of the following exemptions provided by the standard on leases:

- The Group applied a single discounting rate to a portfolio of similar leases with a similar residual term;
- The Group did not apply IFRS 16 on leases for which the terms of the lease expire within 12 months of the date of initial application and leases for which the underlying asset has a low value. The Group has entered into lease agreements on some office equipment (e.g., personal computers, printers and photocopiers) which is considered to be low value.
- The Group excluded initial direct costs from the valuation of the asset consisting of the right of use at the date of initial application.
- The Group used past experience and its knowledge to determine the term of specific lease agreements with tacit renewal clauses.

In the statement of financial position, the Group reports assets for rights of use under fixed assets, in the same item in which said assets would be reported, if owned; and lease liabilities under financial liabilities.

- On 12 October 2017, the IASB published some amendments to IFRS 9 - Financial Instruments. The document “Prepayment features with Negative Compensation (Amendments to IFRS 9)” aims to amend the requirements of IFRS 9 with reference to the following two situations: (i) financial assets which contain prepayment options through negative compensation may now be valued at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9; (ii) new accounting criteria are introduced in the case of non-substantial amendments that do not entail a derecognition in the case of modifications or exchanges of fixed-rate financial liabilities. Endorsement by the EU took place on 22 March 2018 with Regulation no. 498.
- On 12 October 2017, the IASB published some amendments to IAS 28 “Investments in Associates and Joint Ventures”. The document “Long-term interests in Associates and Joint Ventures (Amendments to IAS 28)” aims to clarify several aspects in cases in which companies finance associates and joint ventures with preference shares or through loans for which repayment is not required in the foreseeable future (“Long-Term Interests” or “LTI”). In particular, the amendment clarifies that although these types of receivables represent an extension of the net investment in such investees to which IAS 28 applies, they are in any event subject to the provisions on impairment set forth in IFRS 9. Endorsement by the EU took place on 8 February 2019 with Regulation no. 237.
- On 7 June 2017, the IASB published the interpretation IFRIC 23 - “Uncertainty over Income Tax Treatments”, which provides indications on how to reflect uncertainties on the tax treatment of a given phenomenon in accounting for income taxes. Endorsement by the EU took place on 23 October 2018 with Regulation no. 1595.

- On 12 December 2017, the IASB published the document “Annual Improvements to IFRS Standards 2015-2017 Cycle”. The amendments introduced, falling within the ordinary activity of rationalisation and clarification of international accounting standards, are related to the following standards: (i) IFRS 3 - Business Combinations and IFRS 11 - Joint Arrangements: the IASB clarified how to account for increases in interests in a business that is a joint operation; (ii) IAS 12 - Income Taxes: the IASB clarified that the tax effects correlated with the payment of dividends (including payments relating to financial instruments classified in Shareholders’ Equity) are recognised consistently with the underlying transactions or events that generated the amounts subject to distribution (e.g., recognition in the statement of profit/(loss), in OCI or in Shareholders’ Equity); (iii) IAS 23 - Borrowing Costs: the IASB clarified that general borrowings for the calculation of borrowing costs to be capitalised on qualifying assets do not include the borrowings that are specifically relative to qualifying assets in the construction or development phase. When such qualifying assets are available for use, the relative borrowings are considered general borrowings for the purposes of IAS 23. The Endorsement Process was concluded in 2018. Endorsement by the EU took place on 14 March 2019 with Regulation no. 412.
- On 7 February 2018, the IASB published some amendments to IAS 19 - “Employee Benefits”. The document “Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)” clarifies several accounting aspects relating to amendments, reductions or settlements of defined benefit plans. The Endorsement Process was concluded in 2018. Endorsement by the EU took place on 13 March 2019 with Regulation no. 402.

With the exception of what is mentioned above with regard to IFRS 16, adoption of the new standards applicable from 1 January 2019 did not have any significant impacts.

b) *Accounting standards and interpretations to be applied in the near future:*

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

- On 18 May 2017, the IASB published the new standard IFRS 17 - “Insurance Contracts”, which replaces the current IFRS 4. The new standard on insurance contracts aims to enhance the transparency of sources of profit and quality of earnings realised and to guarantee greater comparability of results, introducing a single standard for the recognition of revenues which reflects the services provided. IFRS 17 applies to Financial Statements relating to years beginning on 1 January 2021, or later. EFRAG’s Endorsement Process is still under way.
- On 29 March 2018, the IASB published the revised version of the Conceptual Framework for Financial Reporting. The main amendments compared to the 2010 version include a new chapter on valuation, better definitions and guidance, with particular regard to the definition of liability, and clarifications of key concepts, such as stewardship, prudence and uncertainty in valuations. The amendments apply to Financial Statements relating to years beginning on 1 January 2020 or later. The EFRAG Endorsement Process was completed on 12 October 2018, while ratification by the EU is expected in 2019.
- On 22 October 2018, the IASB published some amendments to IFRS 3. The document “Amendment to IFRS 3 - Business Combinations” introduced a much more restrictive definition of business than that contained in the current version of IFRS 3, as well as a logical procedure to follow to check if a

transaction can be considered a “business combination” or simply acquisition of an asset. The amendment must be applied to acquisitions that occur from 1 January 2020. The EFRAG Endorsement Process and ratification by the EU is expected in 2019.

- On 31 October 2018, the IASB published the document, “Amendments to IAS 1 and IAS 8: Definition of Material”, with the objective of refining and standardising the definition of “material” present in certain IFRSs, so that it is consistent with the new Conceptual Framework for Financial Reporting approved in March 2018. The amendments apply to Financial Statements relating to years beginning on 1 January 2020 or later. Early application is permitted. The EFRAG Endorsement Process was completed on 20 February 2019, while ratification by the EU is expected in 2019.

The potential impacts that the accounting standards, amendments and interpretations to be applied in the near future may have on the financial reporting of the Group are being examined and assessed.

## 8. USE OF ESTIMATES

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

The accounting standards and the financial statement items that involve a greater subjectivity by the Directors in the estimation process are the following:

- *Intangible assets with indefinite life*: goodwill is assessed<sup>5</sup> on an annual basis, to identify whether there is an impairment that should be recognised in the Income Statement. Specifically, the assessment in question requires the calculation of the recoverable amount of the CGU (Cash Generating Unit) to which goodwill is allocated. The recoverable amount is calculated by estimating the value in use or the fair value net of disposal costs; if the recoverable amount is less than the carrying amount of the CGU, goodwill is written down. The calculation of the recoverable amount of the CGU requires estimates based on factors that may change over time, with a potentially significant impact on the assessments carried out by Directors.
- *Purchase Price Allocation*: In terms of business combinations, in exchange for the consideration transferred for the acquisition of control over a company, the identifiable assets acquired and the liabilities assumed are recognised in the Consolidated Financial Statements at current values (fair value) at the acquisition date, through a purchase price allocation process. During the measurement period, the determination of such current values entails the assumption of an estimate by the directors relating to the information available on all facts and circumstances existing at the date of acquisition which may have effects on the value of the assets acquired and the liabilities assumed.
- *Impairment of fixed assets*: property, plant and equipment and intangible assets with finite useful life are assessed to establish whether there was a decrease in value, to be recognised through impairment, if there are indications that it will be difficult to recover their net accounting value through use. To establish the presence of said indications, Directors must make subjective

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<sup>5</sup>Or more frequently, if there are indications that it may have suffered a decrease in value.

assessments on the basis of information available within the Company and the market, as well as historical experience. Moreover, if it is determined that a potential impairment loss may be generated, this loss is calculated using appropriate measurement techniques. The correct identification of the factors indicating the occurrence of a potential decrease in value, as well as the estimates for the calculation of these depend on factors that may vary over time, affecting the assessments and estimates carried out by the Directors.

- *Measurement at fair value:* in measuring the fair value of an asset or liability, the Company makes use of observable market data as far as possible. Fair values are allocated to different hierarchical levels on the basis of the input data used in the valuation techniques.
- *Valuation of the Virtual Stock Option Plan* assigned to Key Management Personnel: the sum due to each of the beneficiaries following the actual exercise of the options is equal to the difference between the weighted average price on the basis of the quantities of each individual company shared traded on the MTA (screen-based equities market) in the calendar month prior to each Notice of Exercise, and the strike price of € 3.4 for each Ordinary Share of the Company. The valuation was performed by reflecting the financial market conditions valid on the estimate date.

## 9. MANAGEMENT OF FINANCIAL RISK

The Group is exposed to financial risks connected with its operations, especially to the following:

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

Tinexta Group monitors each financial risk closely, intervening with the objective of minimising them promptly also by making use of hedging derivatives.

### *Exchange rate risk*

The exposure to the risk of changes in exchange rates derives from the execution of activities in currencies different from the Euro. The Group carries out most of its activity in Italy, and in any case most of the sales or purchases of services with foreign countries are carried out with EU countries and the transactions are settled almost exclusively in Euro; therefore, it is not greatly exposed to the risk of fluctuation of the exchange rates of foreign currencies against the Euro.

### *Interest rate risk*

The Group uses external financial resources in the form of debt and uses the liquidity available in bank deposits. Changes in market interest rates influence the cost and return of the different types of borrowing and investment and therefore have an impact on the level of the financial charges and income.

Being exposed to interest rate fluctuations with regard to the extent of the financial charges incurred to borrow funds, the Group periodically reviews its exposure to the risk of changes in interest rates and actively manages it also by making use of interest rate derivatives, specifically Interest Rate Swaps (IRS), Interest Rate Floors (Floors) and Interest Rate Caps (Caps) taken out only for hedging purposes. Details of Interest Rate Swaps and other derivative hedging instruments outstanding at 30 June 2019 are provided in Note 25. *Derivative financial instruments*. Cash mainly consists of variable-rate bank deposits with no mandatory duration, and therefore its fair value is equivalent to the value recognised in the Financial Statements.

The interest rate to which the Group is most exposed is the 6-month Euribor. Therefore, the risk of interest rate appears adequately monitored, owing to the current forecast of growth in the 6-month Euribor index (forward rates curve) and the structure of the debt portfolio.

#### *Credit risk*

Financial credit risk results from the inability of a counterparty to fulfil its obligations. At 30 June 2019, the liquidity of the Group was invested in bank deposits held at leading banks with high credit standing.

Trade credit risk derives essentially from receivables from clients. To mitigate credit risk from trade counterparties, the Group has implemented internal procedures requiring a preliminary assessment of the solvency of the client before accepting a contract, through a scoring analysis. Another procedure was adopted for the recovery and management of trade receivables, which provides for written reminders to be sent in the case of late payments and gradually more targeted actions (letters, phone reminders, legal actions). Lastly, trade receivables recognised in the Financial Statements are analysed individually and if a position is believed to be objectively impossible to collect, in part or fully, it is written down. For trade receivables that are not subject to individual impairment, the Group uses an allocation matrix to calculate the expected losses, based on historical experience. Depending on the type of customer, the Group may use groupings if the historical experience for credit losses is significantly different than the loss models by different customer segments.

The table is in Note 21. *Trade and Other Receivables* provides a breakdown of current trade receivables from customers at 30 June 2019, grouped by maturity, gross and net of the related bad debts provision.

#### *Liquidity risk*

Liquidity risk consists of an inability to raise, on adequate terms, the financial resources needed for the Group to operate. The two main factors that influence the liquidity of the Group are:

- (i) the financial resources generated or absorbed by operating and investing activities;
- (ii) the maturity of financial debt.

Liquidity risk is managed through careful control of operating cash flows and use of a cash pooling system between the Group companies. The liquidity requirements of the Group are monitored by the Group treasury function, with the objective of ensuring that financial resources can be effectively and promptly obtained and an adequate investment/return of liquidity.

The management believes that the cash and the credit lines currently available, in addition to those that will be generated by operating and financing activities, will allow the Group to meet its requirements, deriving from investing activities, management of working capital and repayment of loans at their contractual maturity.

The table is in Note 30. *Financial liabilities*, excluding derivative financial instruments, the financial liabilities recognised in the Financial statements at 30 June 2019 are summarised and classified according to contractual maturity.

## 10. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The following is a reconciliation of classes of financial assets and liabilities as identified in the Statement of Financial Position of the Company and types of financial assets and liabilities identified on the basis of the requirements of IFRS 7:

Amounts in thousands of Euro	Assets measured at fair value and recognised in the Income Statement	Assets/Liabilities designated at fair value and recognised in the Income Statement	Liabilities held for trading measured at fair value and recognised in the Income Statement	Fair Value Hedging instruments	Assets/Liabilities measured at amortised cost	Assets measured at fair value through OCI	Investments in instruments representing OCI capital	Total
<b>NON-CURRENT ASSETS</b>	0	438	0	32	1,917	0	0	2,388
Other financial assets, excluding derivative financial instruments	0	438	0	0	701	0	0	1,139
Derivative financial instruments	0	0	0	32	0	0	0	32
Trade and other receivables	0	0	0	0	1,217	0	0	1,217
<b>CURRENT ASSETS</b>	0	3,550	0	0	120,173	0	0	123,723
Other financial assets, excluding derivative financial instruments	0	3,550	0	0	4,696	0	0	8,246
Trade and other receivables	0	0	0	0	88,816	0	0	88,816
Cash and cash equivalents	0	0	0	0	26,660	0	0	26,660
<b>NON-CURRENT LIABILITIES</b>	0	0	0	230	103,960	0	0	104,190
Financial liabilities, excluding derivative financial instruments	0	0	0	0	103,960	0	0	103,960
Derivative financial instruments	0	0	0	230	0	0	0	230
<b>CURRENT LIABILITIES</b>	0	41,450	0	0	81,076	0	0	122,525
Financial liabilities, excluding derivative financial instruments	0	41,450*	0	0	29,511	0	0	70,961
Trade and other payables	0	0	0	0	51,564	0	0	51,564

\* This item includes Liabilities for the purchase of minority interests (more details are provided in Note 30). *Put options on minority interests* - these liabilities are recognised at fair value with changes recorded in an offsetting entry in Shareholders' Equity.

## 11. FAIR VALUE HIERARCHY

The table below shows the fair value hierarchy of the assets and liabilities of the Group:

Amounts in thousands of Euro	Fair Value			
	Level 1	Level 2	Level 3	Total
<b>NON-CURRENT ASSETS</b>	438	32	0	471
Other financial assets, excluding derivative financial instruments	438	0	0	438
Capitalisation policy	438			438
Derivative financial instruments	0	32	0	32
Floor options		32		32
<b>CURRENT ASSETS</b>	3,550	0	0	3,550
Other financial assets, excluding derivative financial instruments	3,550	0	0	3,550
Capitalisation policy	1,948		0	1,948
Financial assets at fair value recognised in the Income Statement	1,602			1,602
<b>NON-CURRENT LIABILITIES</b>	0	230	0	230
Derivative financial instruments	0	230	0	230
Interest rate swaps		190		190
Capped swaps		40		40
<b>CURRENT LIABILITIES</b>	0	0	41,450	41,450
Financial liabilities, excluding derivative financial instruments	0	0	41,450	41,450
Liabilities for put options			35,042	35,042
Contingent consideration			6,408	6,408

## 12. BUSINESS COMBINATIONS

### BUSINESS COMBINATIONS FOR WHICH ACCOUNTING RECOGNITION HAS BEEN COMPLETED

#### Acquisition of Comas S.r.l. and Webber S.r.l.

On 5 July 2018, Tinexta Group, through the subsidiary Innolva S.p.a., acquired 100% of Comas S.r.l. and Webber S.r.l., two companies operating in the sale of business information through the internet. Comas and Webber were consolidated on a line-by-line basis as of 1 July 2018.

Comas and Webber, established in 1976 and 2013 respectively, are predominantly active in the resale, through the internet, of business information such as filings with Chambers of Commerce, cadastral property registries, the automobile registry and the Registry Office, court certificates, reports on natural and legal persons and other information services.

The transaction is part of the broader strategy aimed at strengthening the positioning on the web and increasing Innolva's market share, as well as providing credit management services to small and medium-sized businesses, banks, professionals, and public administration.

The consideration for the acquisition of both companies was set at a total of € 9,259 thousand, of which € 900 thousand paid at the signing date, € 7,869 thousand at the closing date, and € 490 thousand to be paid in five yearly instalments starting on 4 July 2019.

On the payment deferment granted by the selling Shareholders, the Group defined an implicit interest rate equal to 1.89%, taking into consideration the rate established on the unsecured **UBI Loan** obtained by Tinexta S.p.A. at the end of 2017. The discounted value was equal to € 463 thousand at the acquisition date.

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

*Amounts in thousands of Euro*

Cash and cash equivalents	8,769
Price deferment	463
<b>Total consideration transferred</b>	<b>9,232</b>

The fair value of assets acquired and contingent liabilities was determined according to IFRS 3. The excess of the acquisition price over the fair value of net assets acquired was recognised as goodwill. The following is a summary of the amounts recognised with reference to the assets acquired and liabilities assumed at the acquisition date:

<i>Amounts in thousands of Euro</i>	<b>Comas Book values</b>	<b>Webber Book values</b>	<b>Total Book values</b>	<b>Fair value adjustments</b>	<b>Fair Value</b>
Property, plant and equipment	349	12	361		361
Intangible assets			0	2,889	2,889
Non-current financial assets	431	1	432		432
Current and deferred tax assets	7	2	9		9
Trade receivables, other receivables and contract assets	128	1	129		129
Cash and cash equivalents	1,637	339	1,976		1,976
<b>Total assets acquired</b>	<b>2,551</b>	<b>355</b>	<b>2,907</b>	<b>2,889</b>	<b>5,796</b>
Trade and other payables	409	76	485		485
Contract liabilities	214	32	247		247
Employee benefits	190	29	219		219
Current and deferred tax assets	188	3	191	806	997
Current financial liabilities	4	4	8		8
<b>Total liabilities assumed</b>	<b>1,006</b>	<b>143</b>	<b>1,149</b>	<b>806</b>	<b>1,955</b>
<b>Net assets acquired</b>	<b>1,545</b>	<b>212</b>	<b>1,757</b>	<b>2,083</b>	<b>3,840</b>

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The recognition at fair value of the assets and liabilities of Comas and Webber acquired resulted in the recognition of an intangible asset, linked to the technological platform developed by the two companies, for an amount of € 2,889 thousand, before taxes, which may deplete its future useful life in a period of 8 years from the acquisition date. The two companies have websites that ensure an important competitive advantage in view of the management of customers, invoicing and ticketing in the global domain.

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

*Amounts in thousands of Euro*

Total consideration transferred	9,232
Net assets acquired	3,840
<b>Goodwill</b>	<b>5,392</b>

As required by IFRS 3, the values reported above, determined definitively, were recognised retrospectively at 1 July 2018, with the consequent modification and integration of the Balance Sheet and Income Statement values included in the Consolidated Financial Statements for the year ended 31 December 2018.

**Acquisition of Promozioni Servizi S.r.l.**

On 30 October 2018, Tinexta Group, through its subsidiary Innolva S.p.A., acquired 100% of Promozioni Servizi S.r.l. (hereinafter Promozioni Servizi). The company specialises in providing consulting services to financial institutions on access to the Mediocredito Centrale guarantee fund for SMEs. Promozioni Servizi S.r.l. was consolidated line-by-line as of 1 November 2018.

The transaction is part of the strategy to expand the commercial offer and develop competitiveness in the Credit Information & Management segment, and follows the previous acquisition of the Eurofidi business unit in 2017, through which Innolva extended its commercial offer by acquiring specific expertise in the sector of access to the Central Guarantee Fund.

The consideration for the acquisition was set at a total of € 4,494 thousand, of which € 3,706 thousand paid at the closing date, and € 788 thousand to be paid in six yearly instalments starting in 2020 after the approval of the 2019 Financial Statements.

On the payment deferment granted by the selling Shareholders, the Group defined an implicit interest rate equal to 1.89%, taking into consideration the rate established on the unsecured **UBI Loan** obtained by Tinexta S.p.A. at the end of 2017. The discounted value was equal to € 730 thousand at the acquisition date.

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

*Amounts in thousands of Euro*

Cash and cash equivalents	3,706
Price deferment	730
<b>Total consideration transferred</b>	<b>4,436</b>

The fair value of acquired assets and contingent liabilities was determined according to IFRS 3. The excess of the acquisition price over the fair value of net assets acquired was recognised as goodwill. The following is a summary of the amounts recognised with reference to the assets acquired and liabilities assumed at the acquisition date:



Amounts in thousands of Euro

	Book values	Fair value adjustments	Fair Value
Property, plant and equipment	51		51
Intangible assets	59	3,577	3,636
Non-current financial assets	9		9
Current and deferred tax assets	3		3
Current financial assets	5		5
Trade receivables, other receivables and contract assets	412		412
Cash and cash equivalents	526		526
<b>Total assets acquired</b>	<b>1,065</b>	<b>3,577</b>	<b>4,642</b>
Trade and other payables	414		414
Contract liabilities	1		1
Employee benefits	52		52
Current and deferred tax assets	74	998	1,072
<b>Total liabilities assumed</b>	<b>542</b>	<b>998</b>	<b>1,540</b>
<b>Net assets acquired</b>	<b>523</b>	<b>2,579</b>	<b>3,102</b>

The recognition at fair value of the assets and liabilities of Promozioni Servizi acquired entailed:

- the recognition of an intangible asset for customer lists for an amount of € 2,454 thousand (before taxes), which, according to the customer turnover rate, it is believed, may deplete its future useful life in a period of 13 years from the acquisition date.
- the recognition of an intangible asset, linked to the technological infrastructure developed by the company, which allows standardised, efficient and profitable management of the process of support for its customers, for an amount of € 1,123 thousand, before taxes, which, it is believed, may deplete its future useful life in a period of 8 years from the acquisition date.

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

Amounts in thousands of Euro

Total consideration transferred	4,436
Net assets acquired	<u>3,102</u>
<b>Goodwill</b>	<b>1,333</b>

As required by IFRS 3, the values reported above, determined definitively, were recognised retrospectively at 1 November 2018, with the consequent modification and integration of the Balance Sheet and Income Statement values included in the Consolidated Financial Statements for the year ended 31 December 2018.

## Information on the Statement of Financial Position

The items of the Consolidated Statement of Financial Position at 30 June 2019 are commented hereunder. The comparative balances as at 31 December 2018 were restated (as indicated in Note 12. *Business Combinations*) in relation to the completion, in First Half 2019, of the identification of the fair values of the assets and liabilities of Comas and Webber, consolidated on a line-by-line basis from 1 July 2018, and the identification of the fair values of the assets and liabilities of Promozioni Servizi, consolidated on a line-by-line basis from 1 November 2018.

<i>In thousands of Euro</i>	31/12/2018	Completion of Business Combination Comas and Webber	Completion of Business Combination Promozioni Servizi	31/12/2018 Restated
<b>ASSETS</b>				
Property, plant and equipment	8,232			8,232
Intangible assets and goodwill	270,536	625	943	272,104
Investment property	594			594
Equity-accounted investments	12,533			12,533
Other investments	24			24
Other financial assets, excluding derivative financial instruments	1,123			1,123
Derivative financial instruments	30			30
Deferred tax assets	6,677			6,677
Trade and other receivables	830			830
Contract cost assets	5,000			5,000
<b>NON-CURRENT ASSETS</b>	<b>305,579</b>	<b>625</b>	<b>943</b>	<b>307,148</b>
Inventories	1,344			1,344
Other financial assets, excluding derivative financial instruments	8,186			8,186
Current tax assets	4,519			4,519
Trade and other receivables	86,321			86,321
Contract assets	6,145			6,145
Contract cost assets	1,556			1,556
Cash and cash equivalents	35,136			35,136
Assets held for sale	199			199
<b>CURRENT ASSETS</b>	<b>143,407</b>	<b>0</b>	<b>0</b>	<b>143,407</b>
<b>TOTAL ASSETS</b>	<b>448,986</b>	<b>625</b>	<b>943</b>	<b>450,555</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Share capital	46,890			46,890
Reserves	94,899	-130	-40	94,729
<i>Shareholders' Equity attributable to the Group</i>	<i>141,789</i>	<i>-130</i>	<i>-40</i>	<i>141,619</i>
<i>Minority interests</i>	<i>3,757</i>			<i>3,757</i>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>145,545</b>	<b>-130</b>	<b>-40</b>	<b>145,376</b>
<b>LIABILITIES</b>				
Provisions	1,945			1,945
Employee benefits	11,353			11,353
Financial liabilities, excluding derivative financial instruments	70,667			70,667
Derivative financial instruments	217			217
Deferred tax liabilities	16,508	756	983	18,246
Contract liabilities	8,395			8,395
<b>NON-CURRENT LIABILITIES</b>	<b>109,084</b>	<b>756</b>	<b>983</b>	<b>110,823</b>
Provisions	186			186
Employee benefits	1,488			1,488
Financial liabilities, excluding derivative financial instruments	97,380			97,380
Derivative financial instruments	3			3
Trade and other payables	53,318			53,318
Contract liabilities	40,587			40,587
Deferred income	690			690
Current tax liabilities	704			704
<b>CURRENT LIABILITIES</b>	<b>194,356</b>	<b>0</b>	<b>0</b>	<b>194,356</b>
<b>TOTAL LIABILITIES</b>	<b>303,441</b>	<b>756</b>	<b>983</b>	<b>305,179</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>448,986</b>	<b>625</b>	<b>943</b>	<b>450,555</b>

### 13. PROPERTY, PLANT AND EQUIPMENT

Provided below are the changes in property, plant and equipment investments:

<i>Amounts in thousands of Euro</i>	31/12/2018	FTA IFRS 16	Investments	Divestments	Depreciation	Reclassifica- tions	Revaluations	Impairment	30/06/2019
<i>Land</i>									
Cost	148								148
Net value	148	0	0	0	0	0	0	0	148
<i>Leased land</i>									
Cost	303								303
Net value	303	0	0	0	0	0	0	0	303
<i>Buildings</i>									
Cost	1,054								1,054
Accumulated Depreciation	-405				-16				-421
Net value	650	0	0	0	-16	0	0	0	634
<i>Leased buildings</i>									
Cost	2,953	13,663	637				29		17,282
Accumulated Depreciation	-1,255				-1,324				-2,580
Net value	1,698	13,663	637	0	-1,324	0	29	0	14,702
<i>Electronic machines</i>									
Cost	18,713		913	-20		338			19,944
Accumulated Depreciation	-15,810			19	-1,190				-16,981
Net value	2,903	0	913	-1	-1,190	338	0	0	2,963
<i>Leasehold improvements</i>									
Cost	1,837		125						1,962
Accumulated Depreciation	-1,327				-98				-1,425
Net value	510	0	125	0	-98	0	0	0	537
<i>Assets in progress and advances</i>									
Cost	358		8			-351			14
Net value	358	0	8	0	0	-351	0	0	14
<i>Other assets</i>									
Cost	7,557		171	-12		13			7,729
Accumulated Depreciation	-5,973			12	-349				-6,310
Net value	1,585	0	171	0	-349	13	0	0	1,419
<i>Other leased assets</i>									
Cost	91	1,442	381	-14			10	-2	1,909
Accumulated Depreciation	-12			2	-353				-363
Net value	79	1,442	381	-12	-353	0	10	-2	1,546
<b>Property, plant and equipment</b>	<b>8,232</b>	<b>15,105</b>	<b>2,235</b>	<b>-13</b>	<b>-3,329</b>	<b>0</b>	<b>39</b>	<b>-2</b>	<b>22,267</b>
<i>of which leases</i>	<b>2,080</b>	<b>15,105</b>	<b>1,019</b>	<b>-12</b>	<b>-1,677</b>	<b>0</b>	<b>39</b>	<b>-2</b>	<b>16,551</b>

The adoption of IFRS 16 at 1 January 2019 involved the recognition of assets for rights of use on leases for € 15,105 thousand. The Group opted for the recognition of these assets in the item *Property, plant and equipment* in the same categories in which the corresponding underlying assets would have been shown if they had been owned. Assets for rights of use on properties are included under *Leased buildings*, while the

assets for rights of use on vehicles are recognised in *Other leased assets*. The *Revaluations* include the adjustments of rights of use for increases in lease payments or extensions of leases.

The investments in *Electronic machines* totalling € 913 thousand are attributable in the amount of roughly €827 thousand to the Digital Trust business unit and refer mainly to acquisitions of hardware and electronic devices required for the functioning of company data centres.

*Assets held for sale* includes a property located in San Martino Buon Albergo (VR), which has been put up for sale; the carrying amount was maintained equal to the net book value as it is considered less than the fair value less expected costs of disposal.

## 14. INTANGIBLE ASSETS AND GOODWILL

This item includes intangible assets with indefinite (goodwill) or definite (intangible assets) useful life.

<i>Amounts in thousands of Euro</i>	31/12 2018	Investm ents	Divestm ents	Amortis ation	Reclassif ications	Revalua tions	Impairm ent	Delta Excha nge rates	30/06 2019
<i>Goodwill</i>									
Original cost	198,180								198,180
<b>Net value</b>	<b>198,180</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>198,180</b>
<i>Other intangible assets with indefinite useful life</i>									
Original cost	405								405
Bad debts provision									0
<b>Net value</b>	<b>405</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>405</b>
<i>Software</i>									
Original cost	53,798	1,510			707				56,014
Accumulated amortisation	-43,023			-2,118					-45,141
<b>Net value</b>	<b>10,775</b>	<b>1,510</b>	<b>0</b>	<b>-2,118</b>	<b>707</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,873</b>
<i>Concessions, licences, trademarks and similar rights</i>									
Original cost	275	8							283
Accumulated amortisation	-177			-10					-187
<b>Net value</b>	<b>98</b>	<b>8</b>	<b>0</b>	<b>-10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>96</b>
<i>Other intangible assets from consolidation</i>									
Original cost	73,830								73,830
Accumulated amortisation	-18,523			-2,957					-21,481
<b>Net value</b>	<b>55,306</b>	<b>0</b>	<b>0</b>	<b>-2,957</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,349</b>
<i>Assets in progress and advances</i>									
Original cost	1,263	832			-707				1,389
<b>Net value</b>	<b>1,263</b>	<b>832</b>	<b>0</b>	<b>0</b>	<b>-707</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,389</b>
<i>Databases</i>									
Original cost	9,261	2,157							11,418
Accumulated amortisation	-3,874			-1,201					-5,075
<b>Net value</b>	<b>5,388</b>	<b>2,157</b>	<b>0</b>	<b>-1,201</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,343</b>
<i>Other</i>									
Original cost	1,528		-6						1,521
Accumulated amortisation	-838		4	-106					-940
<b>Net value</b>	<b>689</b>	<b>0</b>	<b>-2</b>	<b>-106</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>581</b>
<b>Intangible assets with definite and indefinite useful life</b>	<b>272,104</b>	<b>4,507</b>	<b>-2</b>	<b>-6,392</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>270,216</b>

### Goodwill

As at 30 June 2019, the item amounts to € 198,180 thousand and can be broken down as follows among CGU/Operating segments:

<i>Amounts in thousands of Euro</i>		30/06/2019	31/12/2018	Change
CGU	<i>Operating segments</i>			
Goodwill Innolva	(Credit Information & Management)	89,967	89,967	0
Goodwill RE Valuta	(Credit Information & Management)	4,578	4,578	0
Goodwill Warrant	(Innovation & Marketing Services)	31,753	31,753	0
Goodwill Co.Mark	(Innovation & Marketing Services)	46,663	46,663	0
Goodwill Visura	(Digital Trust)	25,191	25,191	0
Goodwill Ecomind	(Digital Trust)	27	27	0
	<b>Goodwill</b>	<b>198,180</b>	<b>198,180</b>	<b>0</b>

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

### ***Other intangible assets with indefinite useful life***

The item Other intangible assets with indefinite useful life consists of the value of the press review database called AZ Press attributable to Innolva S.p.A. (€ 376 thousand). Considering the specific nature of this database, it is not possible to define criteria to link the value of individual data with the historical value and determine a useful life. Each verification of the value of the database as a whole, as well as that of the ability to express useful life, can therefore only be by means of periodic analysis of the recoverability of the investment. For the purpose of preparing these Condensed Interim Consolidated Financial Statements, based on the information available and in view of the absence of “trigger events”, it was decided not to proceed with the preparation of impairment tests, which will therefore be performed at the time of the drafting of the Consolidated Financial Statements at year-end.

### ***Intangible assets with definite useful life***

#### ***Software***

The item Software includes both the expenses for maintenance and development of the platform related to the software application for the management of Credit Information & Management databases and the costs for the purchase of software licences used for the supply of Digital Trust services.

Investments for the year, totalling € 1,510 thousand, plus € 707 thousand for the beginning of production of investments made in previous years, are attributable to the Credit Information segment (€ 727 thousand) and Digital Trust (€ 1,312 thousand).

#### ***Databases***

The Databases increased by € 2,157 thousand due to investments made during the period. Investment in the Credit Information & Management business unit, specifically in the company Innolva S.p.A., envisaged the establishment of the initial structure and constant updating of the positions in the proprietary archives through steady annual investments. The underlying reasons for the investment are: the possibility of developing an offering aligned with market demand, which calls for the launch of innovative products and proposition of associated additional services; independence in the procurement phases from the main

competitors and the possibility of guaranteeing the highest quality standards with respect to the depth of the data underlying the analyses and the accuracy guaranteed by their continuous updating.

#### *Other intangible assets from consolidation*

Other intangible assets from consolidation consist of the intangible assets recognised during the fair value measurement of the assets acquired as part of the following business combinations:

<i>Amounts in thousands of Euro</i>	<b>30/06/2019</b>	<b>31/12/2018</b>	<b>Change</b>
Warrant Hub Customer list	26,708	27,574	-866
Innolva Customer list	19,141	20,062	-921
Promozioni Servizi Customer list	2,328	2,423	-94
Visura Customer list	2,885	3,606	-721
Co.Mark Customer list	987	1,316	-329
Camerfirma Customer list	300	326	-26
<b>Other intangible assets from consolidation</b>	<b>52,349</b>	<b>55,306</b>	<b>-2,957</b>

The decrease recognised during the period can be attributed to amortisation.

#### *Assets in progress and advances*

Assets in progress rose by € 832 thousand, of which € 483 thousand in the Digital Trust segment and € 335 thousand in the Credit Information & Management segment.

## **15. INVESTMENT PROPERTY**

Provided below are the changes in investment property:

<i>Amounts in thousands of Euro</i>	<b>31/12/2018</b>	<b>Investments</b>	<b>Divestments</b>	<b>Depreciation</b>	<b>Reclassifications</b>	<b>30/06/2019</b>
<i>Buildings investment property</i>						
Original cost	806					806
Accumulated depreciation	-211			-9		-220
<b>Net value</b>	<b>594</b>	<b>0</b>	<b>0</b>	<b>-9</b>	<b>0</b>	<b>585</b>
<b>Investment property</b>	<b>594</b>	<b>0</b>	<b>0</b>	<b>-9</b>	<b>0</b>	<b>585</b>

The item includes the value of the two buildings and the relative appurtenances leased to third parties. These include a property located in Nova Milanese (MI) leased for six years, renewable, starting from 1 December 2018 and a property located in Vimodrone (MB), also leased for six years, renewable, starting from last 1 October 2018.

Revenues for rents from investment property recognised during the period amounted to € 16 thousand and are included in Other revenues and income.

## **16. EQUITY INVESTMENTS**

#### *Equity-accounted investments*

The table below provides the valuation details of companies consolidated using the equity method.

<i>Amounts in thousands of Euro</i>	% ownership	31/12/2018	Increases/Decreases in the Income Statement	Acquisitions	Exchange rate delta	30/06/2019	% ownership
Lux Trust S.A.	50%	12,260		27		12,287	50%
Innovazione 2 Sagl	30%	140	6		2	149	30%
Creditreform GPA Ticino S.A.	30%	109	-14		0	96	30%
eTuitus S.r.l.	24%	23	23			46	24%
Camerfirma Colombia S.A.S.	0%	0		82		82	25%
<b>Investments in associated companies</b>		<b>12,533</b>	<b>15</b>	<b>110</b>	<b>3</b>	<b>12,659</b>	

On 28 June 2019, Camerfirma Colombia S.A.S. was incorporated by the subsidiary Camerfirma S.A. and private shareholders, with registered office in Bogotá (Colombia). The subscribed capital is COL\$ 1,200,000,000, for a total of 6,000 shares issued. Camerfirma S.A. subscribed 25% of the share capital for a total value of COL\$ 300,000,000 (1,500 shares), still not paid at 30 June 2019.

#### *Other investments*

The item in question includes investments in other companies for € 22 thousand (€ 24 thousand at 31 December 2018) and refers to minority interests in companies/consortia. The decrease during the period is attributable to the sale of the entire investment (5%) in Moxoff S.r.l. by Warrant Hub S.p.A. for € 150 thousand; this sale generated a capital gain of € 148 thousand, recognised under Financial income.

### **17. OTHER NON-CURRENT FINANCIAL ASSETS, EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS**

<i>Amounts in thousands of Euro</i>	30/06/2019	31/12/2018	Change
<b>Other financial assets, excluding derivative financial instruments</b>	<b>1,139</b>	<b>1,123</b>	<b>16</b>

This item includes two capitalisation insurance contracts whose fair value amounts to € 438 thousand at 30 June 2019. The remainder, in addition to the receivable of € 118 thousand, relative to the price deferment granted to the purchasers of 70% of Creditreform, mainly includes receivables for security deposits.

### **18. DEFERRED TAX ASSETS/LIABILITIES**

Deferred tax assets/liabilities, due to temporary deductible and taxable differences generated also as a result of consolidation adjustments, can be broken down as follows:

<i>Amounts in thousands of Euro</i>	31/12 2018	Allocations (Releases) Income statement	Allocations (Releases) Comprehensive Income Statement	Allocations (Releases) Shareholders' Equity	Reclassifications	30/06 2019
Deferred tax assets	6,677	-175	1		14	6,517
Deferred tax liabilities	18,246	-1,088	0		14	17,172
<b>Net Balance</b>	<b>-11,569</b>	<b>913</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>-10,655</b>

Deferred tax liabilities refer primarily to the fair value of other intangible assets emerging on the allocation of the excess cost paid in business combinations (€ 14,780 thousand), released during the period for € 840 thousand.

## 19. CONTRACT COST ASSETS

The following are recognised under Contract cost assets, pursuant to IFRS 15 “Revenue from Contracts with Customers”:

- incremental costs to obtain the sales contract;
- sales contract fulfilment costs.

<i>Amounts in thousands of Euro</i>	<b>30/06/2019</b>	<b>31/12/2018</b>	<b>Change</b>
Contract obtainment cost assets	2,254	2,380	-125
Contract fulfilment cost assets	2,747	2,621	126
<b>Non-current contract cost assets</b>	<b>5,001</b>	<b>5,000</b>	<b>1</b>
Contract fulfilment cost assets	1,662	1,556	106
<b>Current contract cost assets</b>	<b>1,662</b>	<b>1,556</b>	<b>106</b>
<b>Contract cost assets</b>	<b>6,663</b>	<b>6,557</b>	<b>107</b>

The incremental costs to obtain a sales contract are recognised under Non-current assets; the Group recognises as expenses the incremental costs to obtain the contract when they are sustained, in the case in which the amortisation period of the assets that the Group would have otherwise recognised does not exceed one year.

*Contract obtainment cost assets*, equal to € 2,254 thousand at 30 June 2019, include commissions paid to agents to obtain contracts predominantly in the Credit Information & Management and Innovation & Marketing Services sectors. These costs are amortised on a straight-line basis and in line with the average duration of the contracts to which they refer. The periodic release of the amount relating to First Half 2019 amounts to € 3,208 thousand, and no impairment losses on the capitalised costs were recorded.

Contract fulfilment costs are recognised under Current assets if it is believed that the transfer to the customer of the goods or services to which the asset refers will take place within twelve months. Non-current assets include costs to fulfil the sales contract if the transfer to the customer of the goods and services to which the asset refers is carried out after twelve months.

*Non-current contract fulfilment cost assets* include costs sustained in Digital Trust to implement “ad hoc” customer platforms to provide a series of services within a time frame of over twelve months. *Current contract fulfilment cost assets* include costs sustained to provide consulting services, primarily with regard to innovation consulting, in Innovation & Marketing Services, with respect to which the relative income has not yet been recognised. The periodic release of *Contract fulfilment cost assets* for the amount relating to First Half 2019 is equalled € 983 thousand, and no impairment losses on the capitalised costs were recorded.

## 20. CONTRACT ASSETS

Contract assets of € 6,250 thousand at 30 June 2019 (€ 6,145 thousand at 31 December 2018) predominantly comprise the Group’s right to receive consideration for work completed but not yet invoiced at the end of the period. These assets are reclassified under *Trade receivables* when the right becomes unconditional. Thus, the item includes invoices to be issued, the gross amount due from clients for project work and accrued trade assets.

## 21. TRADE AND OTHER RECEIVABLES

The item *Trade and other receivables* totalled € 90,033 thousand (€ 87,151 thousand at 31 December 2018) and can be detailed as follows:



<i>in thousands of Euro</i>	30/06/2019	31/12/2018	Change
Receivables from customers	439	212	227
Deferred assets	725	565	159
Receivables from others	52	52	0
<b>Trade receivables and other non-current receivables</b>	<b>1,217</b>	<b>830</b>	<b>387</b>
Receivables from customers	79,711	78,022	1,689
Receivables from associated companies	52	2	49
Other receivables	3,201	3,017	185
VAT credit	138	75	63
IRPEF credit	3	22	-19
Other tax receivables	579	811	-232
Deferred assets	5,133	4,372	761
<b>Trade and other current receivables</b>	<b>88,816</b>	<b>86,321</b>	<b>2,495</b>
<i>of which vs. Related Parties</i>	<i>154</i>	<i>44</i>	<i>110</i>
<b>Trade and other receivables</b>	<b>90,033</b>	<b>87,151</b>	<b>2,882</b>

Receivables from customers are shown net of the related bad debts provision of € 5,626 thousand at 30 June 2019 (€ 4,946 thousand at 31 December 2018).

The following table provides a breakdown of current trade receivables from customers at 30 June 2019, grouped by maturity brackets, gross and net of the related bad debts provision:

<i>Amounts in thousands of Euro</i>	30/06/2019	due	past due within 90 days	past due between 91 and 180 days	past due between 181 days and 1 year	past due beyond 1 year
Trade receivables from current customers	<b>85,337</b>	44,887	20,141	7,779	5,796	6,733
Bad debts provision	<b>5,626</b>	105	147	389	1,018	3,968
% Bad debts provision	<b>6.6%</b>	0.2%	0.7%	5.0%	17.6%	58.9%
<b>Net value</b>	<b>79,711</b>	44,783	19,994	7,391	4,778	2,765

The following table shows changes in the period in the Bad debts provision:

<i>Amounts in thousands of Euro</i>	
<b>Bad debts provision at 31 December 2018</b>	<b>4,946</b>
Allocations 1st Half 2019	1,177
Uses 1st Half 2019	-478
Releases 1st Half 2019	-20
<b>Bad debts provision at 30 June 2019</b>	<b>5,626</b>

The balance of *Receivables from others* at 30 June 2019 includes the receivable for contributions on research and development projects regarding EU funds still to be received by InfoCert for € 937 thousand (€ 1,104 thousand at 31 December 2018); the remaining balance is due primarily to advances to suppliers and agents.

*Deferred assets* represent charges accrued after the cash flows and/or documentation have been exchanged; they do not depend on the time of payment of the corresponding charges, pertain to two or more fiscal years and proportionally allocated based on time. This item mainly relates to hardware and

software maintenance services purchased by Infocert S.p.A., as well as the unused portion of prepaid supply contracts of Innolva S.p.A.

## 22. INVENTORIES

Inventories at 30 June 2019 amounted to € 1,344 thousand (unchanged balance with respect to 31 December 2018) and can be broken down as follows:

<i>in thousands of Euro</i>	30/06/2019	31/12/2018	Change
Raw and ancillary materials and consumables	947	872	75
Finished products and goods	398	472	-75
<b>Inventories</b>	<b>1,344</b>	<b>1,344</b>	<b>0</b>

Inventories of raw materials are mainly attributable to the Digital Trust sector and consist principally of chips for business keys, smart cards, CNS and other electronic components available for sale. Inventories of raw materials are shown net of the related bad debts provision equal to € 106 thousand; said provision did not change during the period. Inventories of finished products and goods are also attributable to the Digital Trust sector and relate to inventories of digital signature readers, smart cards and business keys.

## 23. OTHER CURRENT FINANCIAL ASSETS, EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS

Other current financial assets amounted to € 8,246 thousand at 30 June 2019 (€ 8,186 thousand at 31 December 2018).

<i>in thousands of Euro</i>	30/06/2019	31/12/2018	Change
Guarantee deposits	4,000	4,000	0
Capitalisation insurance contracts	1,948	1,937	11
Financial assets at fair value	1,602	1,595	7
Other financial assets	696	655	41
<b>Other current financial assets</b>	<b>8,246</b>	<b>8,186</b>	<b>60</b>

The item Guarantee deposits includes the payment by InfoCert of € 4 million to an independent third party in accordance with contractual arrangements to guarantee the contingent consideration to be paid to the sellers of Lux Trust S.A., pending the definition of the balance to be paid.

## 24. CURRENT TAX ASSETS AND LIABILITIES

At 30 June 2019, the Group showed an overall net debt position for current taxes equal to € 3,051 thousand (net credit position of € 3,815 thousand at 31 December 2018) as detailed below:

<i>in thousands of Euro</i>	30/06/2019	31/12/2018	Change
Current tax assets	1,297	4,519	-3,223
<i>of which vs. Related Parties</i>	<b>458</b>	<b>458</b>	<b>0</b>
Current tax liabilities	4,347	704	3,643
<b>Net current tax assets</b>	<b>-3,051</b>	<b>3,815</b>	<b>-6,866</b>

The significant change in *Net current tax assets* (€ -6,866 thousand compared to 31 December 2018), was impacted by the allocation of taxes in the Half.

Please note that starting in the year 2018 the Parent Company Tinexta S.p.A. opted, as the consolidating company, for national consolidated taxation pursuant to arts. 117 et seq. of Italian Presidential Decree 917/86 (the Consolidated Tax Act - TUIR) for the 2018-2020 three-year period, with the following direct and

indirect subsidiaries: Co.Mark S.p.A., InfoCert S.p.A, Innolva S.p.A., RE Valuta S.p.A., Sixtema S.p.A., Visura S.p.A., Warrant Hub S.p.A. and Warrant Innovation Lab S.r.l. The economic and financial relations, as well as the reciprocal responsibilities and obligations, between the Parent Company and the consolidated companies are defined in the corresponding tax consolidation regulations.

## 25. DERIVATIVE FINANCIAL INSTRUMENTS

The financial assets and liabilities for derivative instruments may be broken down as follows:

<i>Amounts in thousands of Euro</i>	30/06/2019	31/12/2018	Change
Non-current financial assets for hedging derivatives	32	30	3
Non-current financial liabilities for hedging derivatives	230	217	13
Current financial liabilities for hedging derivatives	0	3	-3
<b>Liabilities for net hedging derivative financial instruments</b>	<b>197</b>	<b>190</b>	<b>7</b>

Non-current financial liabilities for hedging derivatives relate primarily to agreements entered into by the Group to hedge the risk of variability in cash flows due to fluctuating interest rates on a portion of the **Crédit Agricole line A1 loan**, on a portion of the **Crédit Agricole line A2 loan**, on a portion of the **Crédit Agricole line B loan** and on the entire **UBI loan** (for the details, see Note 30. *Financial liabilities, excluding derivative financial instruments*).

The table below provides details about the type of contract, notional value, loan hedged and fair value at 30 June 2019 of the current derivatives:

*In thousands of Euro*

Type	Bank	Loan hedged	Residual notional	Maturity date	Rate received	Rate paid	Fair value at 30/06/2019	Fair value at 31/12/2018
IRS	Crédit Agricole	CA line A1	2,375	31/12/2020	6-month Euribor	0.576%	-27	-33
IRS	BPER	CA line A1	2,168	31/12/2020	6-month Euribor	0.576%	-25	-30
IRS	Iccrea	CA line A1	620	31/12/2020	6-month Euribor	0.576%	-7	-9
IRS	Crédit Agricole	CA line A1	3,980	30/06/2023	6-month Euribor	0.600%	-81	-60
IRS	Crédit Agricole	CA line A2	914	31/12/2020	6-month Euribor	0.595%	-11	-13
IRS	BPER	CA line A2	835	31/12/2020	6-month Euribor	0.595%	-10	-12
IRS	Iccrea	CA line A2	239	31/12/2020	6-month Euribor	0.595%	-3	-3
IRS	Crédit Agricole	CA line A2	870	30/06/2023	6-month Euribor	0.640%	-24	-17
<b>Total Interest Rate Swap "hedging instruments"</b>			<b>12,000</b>				<b>-187</b>	<b>-177</b>

*In thousands of Euro*

Type	Bank	Loan hedged	Residual notional	Maturity date	Hedged rate	Strike	Spread/premium	Fair value at 30/06/2019	Fair value at 31/12/2018
Capped Swap	UBI	CA line B	10,000	30/06/2023	6-month Euribor	1.500%	0.100%	-23	-21
Capped Swap	UBI	UBI	8,889	30/06/2023	6-month Euribor	1.500%	0.098%	-20	-19
<b>Total Capped Swap "hedging instruments"</b>			<b>18,889</b>					<b>-43</b>	<b>-40</b>

*In thousands of Euro*

Type	Bank	Loan hedged	Residual notional	Maturity date	Hedged rate	Strike	Fair value at 30/06/2019	Fair value at 31/12/2018
Floor	Crédit Agricole	CA line A1	5,163	31/12/2020	6-month Euribor	0.001%	23	21
Floor	Crédit Agricole	CA line A2	1,988	31/12/2020	6-month Euribor	0.001%	9	8
<b>Total Floor Option "hedging instruments"</b>			<b>7,150</b>				<b>32</b>	<b>30</b>

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In thousands of Euro

Type	Bank	Loan hedged	Residual notional	Maturity date	Hedged rate	Strike	Fair value at 30/06/2019	Fair value at 31/12/2018
Cap	Credem	Lease	526	01/04/2019	3-month Euribor	2.000%	0	-3
<b>Total Cap Option "hedging instruments"</b>			<b>526</b>				<b>0</b>	<b>-3</b>

The Interest Rate Floors outstanding at 30 June 2019 were entered into during 2017 following renegotiation of the **Crédit Agricole** line A1 and **line A2 loans**, in order to make the strategy for hedging of the IRS with maturity 31/12/2020 already in place fully effective at the renegotiated conditions.

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

## 26. CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to € 26,660 thousand at 30 June 2019 (€ 35,136 thousand at 31 December 2018) and the breakdown is as follows:

Amounts in thousands of Euro	30/06/2019	31/12/2018	Change
Bank and postal deposits	26,603	35,058	-8,455
Cheques	14	19	-5
Cash and cash equivalents	44	59	-15
<b>Cash and cash equivalents</b>	<b>26,660</b>	<b>35,136</b>	<b>-8,476</b>

The balance is mainly represented by the cash and cash equivalents held in bank accounts at leading national banks. Please refer to the Statement of Cash Flows for a detailed analysis of the changes shown.

## 27. SHAREHOLDERS' EQUITY

Consolidated Shareholders' Equity at 30 June 2019 amounted to € 137,676 thousand (€ 145,376 thousand at 31 December 2018) and can be analysed as follows:

Amounts in thousands of Euro	30/06/2019	31/12/2018	Change
Share capital	46,890	46,890	0
Legal reserve	3,112	2,031	1,081
Share premium reserve	54,678	54,678	0
Reserve from valuation of hedging derivatives	-182	-181	-1
Defined-benefits plan reserve	-361	-361	0
Other reserves	16,257	6,210	10,047
Profit (loss) for the Group	13,758	32,351	-18,593
<b>Total Group Shareholders' Equity</b>	<b>134,154</b>	<b>141,619</b>	<b>-7,465</b>
Capital and reserves attributable to minority interests	3,264	3,170	93
Profit (loss) attributable to minority interests	258	586	-328
<b>Total Minority interests</b>	<b>3,522</b>	<b>3,757</b>	<b>-235</b>
<b>Total Shareholders' Equity</b>	<b>137,676</b>	<b>145,376</b>	<b>-7,700</b>

On 17 June 2019, Tinexta S.p.A. communicated that, based on the results of the annual financial statements of the companies forming part of the Group, the condition pursuant to art. 3 of the Regulations on the "Tinexta 2016-2019 Warrants" became applicable for the year ended 31 December 2018. Therefore, Cedacri S.p.A. will be entitled, up until 30 September 2019, to exercise the third and final tranche of warrants held up to a maximum of 317,000 warrants, corresponding to 317,000 new Ordinary Shares of Tinexta S.p.A. (equal to 0.676% of the latter's current Share Capital), at a subscription price of € 3.40 per Share, determined in accordance with the Regulations.

The *Reserve from valuation of hedging derivatives* refers to the fair value valuation of hedging derivatives (referred to in Note 25. *Derivative financial instruments*).

The *Defined-benefits plan* reserve refers to the actuarial component of the Employee severance indemnity according to the requirements of IAS 19.

## 28. PROVISIONS

Provisions, amounting to € 2,386 thousand at 30 June 2019 (€ 2,131 thousand at 31 December 2018) are detailed as follows:

<i>Amounts in thousands of Euro</i>	31/12/2018	Provisions	Uses	Releases	Reclassifications	30/06/2019
Provision for pensions	950	116	-30	-21	0	1,015
Other non-current provisions	995	138	-47	0	-3	1,083
<b>Non-current provisions</b>	<b>1,945</b>	<b>254</b>	<b>-77</b>	<b>-21</b>	<b>-3</b>	<b>2,098</b>
Other current provisions	186	129	-30	0	3	288
<b>Current provisions</b>	<b>186</b>	<b>129</b>	<b>-30</b>	<b>0</b>	<b>3</b>	<b>288</b>
<b>Provisions</b>	<b>2,131</b>	<b>383</b>	<b>-107</b>	<b>-21</b>	<b>0</b>	<b>2,386</b>

The *Provision for pensions* relates to the provision of the supplementary indemnity of customers due, in the cases provided by law, to agents based on the actuarial valuation of the liability quantifying future payments, through the projection of indemnities accrued on the valuation date by agents until the estimated time of interruption of the contract. Provisions net of releases are recognised by nature in *Service costs*.

The items *Other current and non-current provisions* relate to disputes with current employees or employees who have stopped working at 30 June 2019 (€ 285 thousand). Provisions for disputes with employees, net of releases, are recognised by nature in *Personnel costs* for an overall effect during the year of € 129 thousand. The residual amount of provisions and releases relates to disputes with customers, agents and tax authorities in which the risk of an unfavourable outcome is likely.

### *Other information*

On 13 March 2018, InfoCert S.p.A. received a petition from Thron S.p.A. demanding the payment of € 200 thousand as a penalty due to the failure to comply with a confidentiality agreement, in addition to € 21,780 thousand due to greater damages suffered for alleged undue use of software. In acknowledging this judicial initiative, Tinexta S.p.A. notes the groundlessness of the arguments supporting the claims made. To that end, the appropriate judicial initiatives are underway.

In the first few days of May 2019, the subsidiary Visura S.p.A. suffered a cyber attack which required precautionary intervention on roughly 13% of the certified e-mail accounts sold by said entity and managed by InfoCert, targeted at restoring operations and ensuring the security of the services provided. The appropriate in-depth analyses were carried out and the necessary reports sent to the competent authorities. At the date of drafting of the Condensed Interim Consolidated Financial Statements, preliminary proceedings are in progress, initiated by the Italian Data Protection Authority against Visura S.p.A. and InfoCert S.p.A. and by Agid against InfoCert. Therefore, considering the state of the art, also based on the indications provided by the legal representatives with reference to the aforementioned proceedings, at the current state of affairs, according to the provisions of the applicable accounting standards, there are no elements which allow a quantification of the company's risks.

## 29. EMPLOYEE BENEFITS

Employee benefits, amounting to € 15,334 thousand at 30 June 2019 (€ 12,841 thousand at 31 December 2018) are detailed as follows:

<i>Amounts in thousands of Euro</i>	30/06/2019	31/12/2018	Change
Employee severance indemnity	10,770	11,159	-389
Other non-current employee benefits	0	194	-194
<b>Non-current employee benefits</b>	<b>10,770</b>	<b>11,353</b>	<b>-583</b>
Other current employee benefits	4,564	1,488	3,076
<b>Current employee benefits</b>	<b>4,564</b>	<b>1,488</b>	<b>3,076</b>
<b>Employee benefits</b>	<b>15,334</b>	<b>12,841</b>	<b>2,493</b>

The liability accrued relating to the Virtual Stock Option Plan approved by the Board of Directors of the Company on 14 November 2016 was included in the item *Other employee benefits*, aimed at key management personnel, targeted at disbursing deferred sums corresponding to the growth in value of Company Shares. Current liabilities amounted to € 4,270 thousand and relate to the first tranche, already exercisable, for € 1,270 thousand and the second tranche exercisable from 31 July 2019, for € 2,999 thousand. The significant increase in the item compared to 31 December 2018 is a result of the large rise in the price of the Shares recorded in the Half. The first tranche was partially exercised in the period for € 83 thousand. Both tranches may be exercised by 31 July 2020.

The remainder in Other current employee benefits includes the provision relating to a long-term incentive programme for the management of InfoCert S.p.A.

## 30. FINANCIAL LIABILITIES, EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS

This item includes financial liabilities assumed by the Group for a variety of reasons, with the exception of those deriving from the underwriting of derivative financial instruments, and is broken down as follows:

<i>Amounts in thousands of Euro</i>	30/06/2019	31/12/2018	Change
Current portion of bank loans	17,762	12,033	5,729
Non-current portion of bank loans	86,548	45,706	40,842
Other current bank payables	1,754	8,099	-6,345
Liabilities for the purchase of minority interests, current	35,042	42,815	-7,773
Liabilities for the purchase of minority interests, non-current	0	16,255	-16,255
Liabilities for current contingent consideration	6,408	1,227	5,181
Current price deferment liabilities	2,780	2,706	73
Non-current price deferment liabilities	5,479	8,029	-2,550
Liabilities to Controlling Shareholder for current loans	245	25,252	-25,007
Current lease liabilities	3,494	146	3,349
Non-current lease liabilities	11,931	675	11,256
Current liabilities to associated companies	82	0	82
Current liabilities to other lenders	3,393	5,102	-1,709
Non-current liabilities to other lenders	2	2	0
<b>Current financial liabilities</b>	<b>70,961</b>	<b>97,380</b>	<b>-26,419</b>
<i>of which vs. Related Parties</i>	<b>858</b>	<b>25,252</b>	<b>-24,394</b>
<b>Non-current financial liabilities</b>	<b>103,960</b>	<b>70,667</b>	<b>33,293</b>
<i>of which vs. Related Parties</i>	<b>1,796</b>	<b>0</b>	<b>1,796</b>
<b>Total</b>	<b>174,922</b>	<b>168,047</b>	<b>6,874</b>

The expiry of non-current financial liabilities is expected within 5 years from the date of the Financial Statements in the amount of € 13,811 thousand, of which € 10,973 thousand for bank loans, € 2,690 thousand for lease liabilities and € 147 thousand for price deferments. The following is a summary of the financial liabilities recognised in the Financial Statements at 30 June 2019, classified according to the contractual maturity:

<i>Amounts in Euro</i>	within one year	between 1 and 2 years	between 2 and 3 years	between 3 and 4 years	between 4 and 5 years	more than 5 years	Book value at 30/06/2019
Bank loans	17,762	21,339	21,694	22,212	10,330	10,973	<b>104,311</b>
Other current bank payables	1,754						<b>1,754</b>
Liabilities for the purchase of minority interests	35,042	0					<b>35,042</b>
Liabilities for contingent consideration	6,408						<b>6,408</b>
Price deferment liabilities	2,780	2,612	1,230	1,247	243	147	<b>8,259</b>
Liabilities to Controlling Shareholder for loans	245						<b>245</b>
Lease liabilities	3,494	3,198	2,745	1,862	1,437	2,690	<b>15,426</b>
Liabilities to associated companies	82						<b>82</b>
Liabilities to other lenders	3,393	2					<b>3,395</b>
<b>Total financial liabilities</b>	<b>70,961</b>	<b>27,151</b>	<b>25,669</b>	<b>25,321</b>	<b>12,010</b>	<b>13,811</b>	<b>174,922</b>

### Bank loans

Details of the bank loans in place at 30 June 2019 are provided below, with evidence of the current and non-current portions. The current portion includes any accrued interest.

<b>Bank loans</b>							
<i>In thousands of Euro</i>	Counterparty	Rate	Maturity date	Current portion	Non-current portion	Residual value at 30/06/2019	
CA line A1 loan	Crédit Agricole	6-month Euribor + spread 1.30%	30/06/2023	3,276	10,142	13,418	
CA line A2 loan	Crédit Agricole	6-month Euribor + spread 1.30%	30/06/2023	1,020	3,159	4,178	
CA line A3 loan	Crédit Agricole	6-month Euribor + spread 1.30%	30/06/2023	429	1,320	1,748	
CA line B loan	Crédit Agricole	6-month Euribor + spread 1.60%	30/06/2023	3,714	11,198	14,912	
CA line C loan	Crédit Agricole	6-month Euribor + spread 1.50%	31/12/2024	1,449	13,380	14,829	
ISp Group loan	Intesa Sanpaolo Group	6-month Euribor + spread 1.40%	31/12/2025	2,115	30,050	32,165	
Credem loan	Credem	6-month Euribor + spread 1.20%	30/01/2024	976	3,596	4,572	
UBI loan	UBI Banca	6-month Euribor + spread 1.60%	30/06/2023	2,195	6,626	8,821	
BPS loan	Banca Popolare di Sondrio	6-month Euribor + spread 1.40%	31/12/2023	1,967	6,943	8,910	
Other minor loans				621	136	757	
				<b>17,762</b>	<b>86,548</b>	<b>104,311</b>	

The **Crédit Agricole line A1**, **Crédit Agricole line A2** and **Crédit Agricole line A3 loans** were taken out on 27 April 2017 in order to renegotiate the loan obtained on 16 December 2014 in the amount of € 36.5 million entered into with a pool of banks, of which Crédit Agricole was lead bank. The main terms of the contract are as follows: maturity on 30 June 2023, repayment of equal semi-annual instalments of principal and interest settled at the variable 6-month Euribor rate plus a margin of 130 bps; the applicable margin is updated every six months based on the ratio of NFP (i.e. Net Financial Position) to EBITDA, defined contractually, as follows: NFP/EBITDA  $\geq$  3 Margin 145 bps; NFP/EBITDA  $<$  of 3 and  $\geq$  1 Margin 130 bps; NFP/EBITDA  $<$  1 margin 115 bps.



The **Crédit Agricole line B loan** available on request for € 15 million and fully used for € 10 million to cover the investment in Warrant Hub S.p.A. in 2017, and for a further € 5 million on 29 October 2018 to support the acquisition of Promozioni Servizi S.r.l. The main terms of the contract are as follows: maturity on 30 June 2023, repayment of equal semi-annual instalments of principal with a first pre-amortisation period (until 30 June 2019) and interest settled at the variable 6-month Euribor rate plus a margin of 160 bps; the applicable margin is updated every six months based on the ratio of NFP to EBITDA, defined contractually, as follows:  $NFP/EBITDA \geq 3$  Margin 175 bps;  $NFP/EBITDA < 3$  and  $\geq 1$  Margin 160 bps;  $NFP/EBITDA < 1$  margin 145 bps.

The **Crédit Agricole line C loan** available on request for € 15 million and fully used as at 30 June 2019 million to meet the financial commitment deriving from the repayment of the loan with the Controlling Shareholder Tecno Holding S.p.A. The main terms of the contract are as follows: maturity on 31 December 2024, repayment of equal semi-annual instalments of principal with a first pre-amortisation period (until 31 December 2019) and interest settled at the variable 6-month Euribor rate plus a margin of 135 bps; the applicable margin is updated every six months based on the ratio of NFP to EBITDA, defined contractually, as follows:  $NFP/EBITDA > 2$  Margin 150 b.p.;  $NFP/EBITDA \leq 2$  and  $> 1.5$  Margin 135 b.p.;  $NFP/EBITDA \leq 1.5$  margin 120 b.p.

On the Crédit Agricole loans, the Company is committed, for each reference half-year, to respecting the following limits: maximum *NFP/EBITDA* ratio threshold of 3.5 and *NFP/Equity* ratio of 2.0. At 30 June 2019, these parameters were respected.

The **Intesa Sanpaolo Group loan** available on request for a total of € 50 million and drawn down on 30 June 2019 for € 32,895 thousand in order to support the planned investments for the acquisition of the minority stakes in subsidiaries based on the Put/Call options exercised (for details see the section *Liabilities for the purchase of minority interests*), as well as to meet the financial commitment deriving from extinguishment of the loan with the controlling shareholder Tecno Holding S.p.A.. The loan makes provision for the 6-month Euribor rate plus 140 basis points. From 31 December 2019 and for each reference half, the Group is required to respect the following financial limits: *NFP/EBITDA* less than 3.5 and *NFP/Equity* lower than 2.0. Principal will be repaid in increasing half-yearly instalments starting from 30 June 2020, maturing on 31 December 2025, and interest will be paid on a half-yearly basis starting from 31 December 2019.

**UBI Loan** for an original amount of € 10 million to support the investment in Warrant Hub S.p.A.. The loan was disbursed on 30 November 2017 at the 6-month Euribor plus 160 bps and requires repayment of principal in equal half-yearly instalments starting from 30 June 2019 and maturing on 30 June 2023, with interest paid on a half-yearly basis starting from 31 December 2017. The applicable margin is updated every six months based on the ratio of NFP to EBITDA, defined contractually, as follows:  $NFP/EBITDA \geq 3$  Margin 175 b.p.;  $NFP/EBITDA < 3$  and  $\geq 1$  Margin 160 b.p.;  $NFP/EBITDA < 1$  margin 145 b.p. Starting from 30 June 2017 and for each reference half-year period, the Group will observe to meet the following financial limits: *NFP/EBITDA* less than 3.5 and *NFP/Equity* lower than 2.0. At 30 June 2019, these parameters were respected.

**BPS Loan** for an original amount of € 10 million to support the acquisition of Lux Trust S.A. The loan was disbursed on 27 November 2018 at 6-month Euribor plus 140 bps and requires repayment of principal in equal half-yearly instalments starting from 30 June 2019 and maturing on 31 December 2023, with interest paid on a half-yearly basis starting from 30 June 2019. The applicable margin is updated every six months based on the ratio of NFP to EBITDA, defined contractually, as follows:  $NFP/EBITDA \geq 3$  Margin 165 b.p.;  $NFP/EBITDA < 3$  and  $\geq 2$  Margin 140 b.p.;  $NFP/EBITDA < 2$  margin 125 b.p. Starting from 31 December 2018 and for each reference half-year period, the Group is committed to respecting the following financial limits on consolidated data: *NFP/EBITDA* less than 3.5 and *NFP/Equity* lower than 2.0. At 30 June 2019, these parameters were respected.



**Credem Loan** for an original amount of € 5 million to support the acquisition of Lux Trust S.A. The loan was disbursed on 29 January 2019 at the 6-month Euribor plus 120 bps and requires repayment of principal in increasing half-yearly instalments starting from 28 February 2019 and maturing on 30 January 2024, with interest paid on a monthly basis starting from 28 February 2019.

The changes in *Bank loans* are shown below, to allow for a better understanding of cash flows recognised under Financing activities in the Statement of Cash Flows:

<i>Amounts in Euro</i>	31/12/2018	Disbursements	Principal payments	Interest paid	Accrued interest	30/06/2019
Bank loans	57,739	51,886	-5,607	-462	755	104,311

The disbursements of the period refer to the **Intesa Sanpaolo Group, Crédit Agricole line C** and **Credem** loans, net of transaction costs incurred in obtaining them.

#### *Other current bank payables*

*Other current bank payables* amounted to € 1,754 thousand at 30 June 2019 (€ 8,099 thousand at 31 December 2018) and are composed primarily of bank current account overdrafts. The substantial decrease compared to the previous year relates to the extinguishment of a short-term line of credit of € 5 million for advances on invoices covered by the **Credem loan**.

#### *Liabilities for the purchase of minority interests*

The item Liabilities for the purchase of minority shares includes the liabilities for put options granted by the Group to the non-controlling shareholders of RE Valuta S.p.A. (11.875%), Co.Mark S.p.A. (10%), Visura S.p.A. (40%), Sixtema S.p.A. (20%), Warrant Hub S.p.A. (9.75%). The value of these liabilities was calculated as the current value of the amount to be paid at the contractual maturities against the reversal of the interests of these minority shareholders. At 30 June 2019, the discount rate used was equal to WACC used for the purposes of the impairment test of the goodwill resulting from the purchase of the equity investments in question (8.08%).

<i>Amounts in thousands of Euro</i>	30/06/2019	30/06/2019		31/12/2018	31/12/2018		Change
		Current	Non-current		Current	Non-current	
Warrant Hub Put Options	11,009	11,009		36,839	20,584	16,255	-25,831
Co.Mark Put Options	5,219	5,219		4,979	4,979		240
Visura Put Options	15,372	15,372		13,965	13,965		1,407
Sixtema Put Options	1,554	1,554		1,465	1,465		89
RE Valuta Put Options	1,889	1,889		1,821	1,821		67
<b>Total Liabilities for the purchase of minority interests</b>	<b>35,042</b>	<b>35,042</b>	<b>0</b>	<b>59,070</b>	<b>42,815</b>	<b>16,255</b>	<b>-24,028</b>

On 30 April 2019, the option rights were exercised by the minority shareholders for 20.25% of the share capital of Warrant Hub S.p.A.; therefore, Tinexta holds 90.25% of the share capital of Warrant Hub. The consideration for the purchase of the 9.75% stake was therefore € 14,881 thousand. For the purchase of an additional 10.5% of the capital, an amount of roughly € 8,013 thousand was paid on the same date (calculated on 50% of the shares acquired), and for the remaining portion, reclassified to *Liabilities for contingent consideration*, an amount will be paid in 2020 based on the 2019 results, by applying a multiple to the annual EBITDA of the consolidated financial statements of Warrant Hub, taking into account the net financial position and based on the growth rates recorded; the options on the remaining part of the capital (9.75%) may be exercised in 2020.

### Liabilities for contingent consideration

*Liabilities for contingent consideration* connected to acquisitions were determined at the present value of the amount to be paid at the contractual expiries, if said amount is envisaged after 12 months before the recognition.

Amounts in thousands of Euro	30/06/2019	30/06/2019		31/12/2018	31/12/2018		Change
		Current	Non-current		Current	Non-current	
Warrant Hub contingent consideration (Earn out)	6,408	6,408		0			6,408
Sixtema contingent consideration (Earn out)	0			1,227	1,227		-1,227
<b>Total liabilities for contingent consideration (Earn out)</b>	<b>6,408</b>	<b>6,408</b>	<b>0</b>	<b>1,227</b>	<b>1,227</b>	<b>0</b>	<b>5,181</b>

Changes in contingent consideration (Earn Out) are recognised in the Income Statement under *Financial charges*.

Note should be taken, in the period, of the reclassification from *Liabilities for the purchase of minority interests* of the contingent consideration calculated on 50% of the tranche of shares acquired of 10.5% of Warrant Hub S.p.A. The potential consideration will be paid in 2020 based on the 2019 results, by applying a multiple to the annual EBITDA of the consolidated financial statements of Warrant Hub, taking into account the net financial position and based on the growth rates recorded.

Also note the payment, during the period, to the selling shareholders of Sixtema of the contingent consideration totalling € 1,347 thousand.

### Price deferment liabilities

*Price deferment liabilities* represent the payable at the reporting date referring to deferments obtained from the selling Shareholders of Co.Mark S.p.A. (€ 2,815 thousand), of Warrant Hub S.p.A. (€ 4,151 thousand), of Comas S.r.l. and Webber S.r.l. (€ 472 thousand), Promozioni Servizi S.r.l. (€ 740 thousand), Eurofidi for the transfer of the business unit (€ 81 thousand).

The changes in *Price deferment liabilities* are shown below, to allow for a better understanding of cash flows recognised under Financing activities in the Statement of Cash Flows:

Amounts in Euro	31/12/2018	Principal payments	Interest paid	Accrued interest	30/06/2019
Price deferment liabilities	10,736	-2,383	-171	78	8,259

### Liabilities to Controlling Shareholder for loans

Note should be taken, in the period, of the extinguishment of the loan of € 25 million, in the times provided contractually, granted by the Controlling Shareholder Tecno Holding S.p.A. in two tranches in 2016. The extinguishment was financed through the use of the **Crédit Agricole line C** and **Intesa Sanpaolo Group loans**.

The changes in *Liabilities to Controlling Shareholder for loans* are shown below, to allow for a better understanding of cash flows recognised under Financing activities in the Statement of Cash Flows:

Amounts in Euro	31/12/2018	Principal payments	Interest paid	Accrued interest	30/06/2019
Liabilities to Controlling Shareholder for loans	25,252	-25,000	-252	245	245

### Lease liabilities

Lease liabilities includes the present value of the payments due on the leases falling under the application of IFRS 16 adopted by the Group starting from 1 January 2019. The balance at 31 December 2018 was represented exclusively by the finance lease liabilities within the scope of application of IAS 17. The adoption at 1 January 2019 of the aforementioned IFRS 16 involved the recognition of higher financial lease liabilities of € 15,043 thousand with a contra-item in the form of the recognition of assets for rights of use under *Property, plant and equipment*.

The changes in *Lease liabilities* are shown below, to allow for a better understanding of cash flows recognised under Financing activities in the Statement of Cash Flows:

Amounts in Euro	31/12/2018	FTA IFRS 16	New leases	Principal payments	Interest paid	Accrued interest	Other changes no cash-flow	30/06/2019
Lease liabilities	820	15,043	1,019	-1,542	-129	190	25	15,425

*Other no cash-flow changes* include adjustments to lease liabilities for changes in lease payments (e.g. ISTAT adjustments), extensions and early terminations.

### Liabilities to other lenders

*Payables to other lenders* amounted to € 3,395 thousand (€ 5,104 thousand at 31 December 2018). The item includes € 565 thousand in liabilities of Warrant Hub in relation to the cash collected for projects and initiatives approved by the European Commission and to be paid to the partner companies in such projects and initiatives (€ 2,838 thousand at 31 December 2018). The item also includes € 2,385 thousand in prepaid amounts paid by customers to purchase stamps and fees not yet used at the date of 30 June 2019 (€ 1,735 thousand at 31 December 2018) and € 407 thousand in payables to customers for amounts recovered to be returned as part of credit recovery activities of the Credit Information & Management Business Unit (€ 506 thousand at 31 December 2018).

## 31. TRADE AND OTHER CURRENT PAYABLES

The item *Trade and other current payables* totalled € 51,564 thousand (€ 53,318 thousand at 31 December 2018) and can be detailed as follows:

Amounts in thousands of Euro	30/06/2019	31/12/2018	Change
Payables to suppliers	28,022	29,776	-1,754
Payables to Controlling Shareholder	137	97	40
Payables to associated companies	31	144	-113
Due to social security institutions	5,095	5,607	-512
VAT liability	5,421	4,137	1,284
Payable for withholding taxes to be paid	2,438	2,733	-295
Payables to employees	9,647	10,455	-808
Due to others	773	370	404
<b>Trade and other current payables</b>	<b>51,564</b>	<b>53,318</b>	<b>-1,754</b>
<i>of which vs. Related Parties</i>	<b>168</b>	<b>274</b>	<b>-106</b>

## 32. CONTRACT LIABILITIES

Contract liabilities represent the Group's obligation to transfer to the customer goods or services for which the Group has received consideration from the customer or for which consideration is due. This item includes deferred trade liabilities, advances and thus prepaid trade amounts, the gross amount due to clients for project work and the value of options (material rights) which allow the customer to acquire additional goods or services free of charge or with a discount. This item was equal to € 49,555 thousand at 30 June 2019 (of which € 38 thousand due to related parties), and can be broken down as follows:

<i>Amounts in thousands of Euro</i>	<b>31/12/2018</b>	<b>Decreases in revenues 1st Half 2019</b>	<b>Other decreases</b>	<b>Increases</b>	<b>Reclassifications</b>	<b>30/06/2019</b>
Non-current contract liabilities	8,395	0	0	2,467	-1,925	8,938
Current contract liabilities	40,587	-31,042	-600	29,747	1,925	40,617
<b>Contract liabilities</b>	<b>48,982</b>	<b>-31,042</b>	<b>-600</b>	<b>32,214</b>	<b>0</b>	<b>49,555</b>

## 33. DEFERRED INCOME

The item Deferred income totalled € 947 thousand (€ 690 thousand at 31 December 2018) and includes primarily deferrals for government grants.

## Information on the Comprehensive Income Statement

With respect to First Half 2018, the consolidated economic data of First Half 2019:

- include the balances for the months from January to April of Camerfirma and Camerfirma Perù (Digital Trust segment), consolidated as of 1 May 2018;
- include the balances for First Half 2019 of Comas and Webber (Credit Information & Management segment), consolidated as of 1 July 2018;
- include the balances for First Half 2019 of Promozioni Servizi (Credit Information & Management segment), consolidated as of 1 November 2018;
- do not include the balances for the months from January to May of Creditreform Assicom Ticino SA, now Creditreform GPA Ticino SA (Credit Information & Management segment).

The cumulative effect of these updates on changes with respect to the previous year is specified in the notes below as a change in the scope of consolidation.

Please note that, as already commented on extensively in Note 13. *Business Combinations* of the 2018 Consolidated financial statements, in relation to the completion of the activities for the identification of the fair value of the assets and liabilities of Warrant Hub and its subsidiaries and of Camerfirma at the acquisition date, the comparative balances for 2018 were restated as follows.

<i>In thousands of Euro</i>	1st Half 2018	Completion of Warrant Hub Business Combination	Completion of Camerfirma Business combination	1st Half 2018 re- stated
<b>Revenues</b>	<b>114,510</b>	<b>0</b>	<b>0</b>	<b>114,510</b>
Costs of raw materials	2,875			2,875
Service costs	38,657			38,657
Personnel costs	38,447			38,447
Contract costs	4,644			4,644
Other operating costs	1,014			1,014
Amortisation/Depreciation	6,292	866	9	7,167
Provisions	-117			-117
Impairment	890			890
<b>Total Costs</b>	<b>92,702</b>	<b>866</b>	<b>9</b>	<b>93,577</b>
<b>OPERATING PROFIT</b>	<b>21,808</b>	<b>-866</b>	<b>-9</b>	<b>20,933</b>
Financial income	82			82
Financial charges	1,077			1,077
<b>Net financial income (charges)</b>	<b>-995</b>	<b>0</b>	<b>0</b>	<b>-995</b>
Share of profit of equity-accounted investments, net of tax	30			30
<b>PROFIT BEFORE TAX</b>	<b>20,843</b>	<b>-866</b>	<b>-9</b>	<b>19,968</b>
Income taxes	6,240	-242	-2	5,997
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>	<b>14,603</b>	<b>-625</b>	<b>-6</b>	<b>13,972</b>
Profit (loss) from discontinued operations	0			0
<b>NET PROFIT</b>	<b>14,603</b>	<b>-625</b>	<b>-6</b>	<b>13,972</b>

Since 1 January 2019, the Group has adopted IFRS 16 “Leases”, which has led to changes in accounting policies and in some cases adjustments to the amounts entered in the financial statements. The 2018 comparative data have not been restated, while the data for the period under review reflect the application of the aforementioned standard. In order to ensure effective comparability with the 2018 economic results, the effects on the comparative analyses deriving from the application of IFRS 16 adopted from 1 January 2019 are explained.

### 34. REVENUES

In the First Half 2019, Revenues totalled € 126,592 thousand (€ 114,510 thousand in First Half 2018). Revenues rose compared to the same period in the prior year by 10.6%, of which 6.3% due to organic growth and 4.3% to the change in the scope of consolidation.

<i>Amounts in thousands of Euro</i>	<b>Six-month period closed at 30 June</b>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
Revenues from sales and services	125,370	113,377	11,993
Other revenues and income	1,221	1,133	89
<b>Revenues</b>	<b>126,592</b>	<b>114,510</b>	<b>12,082</b>
<i>of which vs. Related Parties</i>	<b>20</b>	<b>1,145</b>	<b>-1,125</b>
<i>of which non-recurring</i>	<b>0</b>	<b>179</b>	<b>-179</b>

#### *Revenues from sales and services*

This item includes Revenues from contracts with customers. The summary table below illustrates details of Revenues from sales and services recognised during the year by business segment, geographical area and type of product or service.

<i>Amounts in thousands of Euro</i>	<i>Digital Trust</i>	<i>Credit Information &amp; Management</i>	<i>Innovation &amp; Marketing Services</i>	<b>Total</b>
Italy	48,427	37,633	35,647	121,706
EU	2,637	86	604	3,327
Non-EU	229	102	5	336
<i>Total by Geographical area</i>	<b>51,293</b>	<b>37,821</b>	<b>36,256</b>	<b>125,370</b>
Digital Trust products	24,666			24,666
Digital Trust solution	12,935			12,935
Data distribution platforms, software and electronic services	13,692			13,692
Commercial information and credit recovery		23,587		23,587
Real estate information and real estate appraisal services		14,234		14,234
Marketing consulting			9,345	9,345
Innovation consulting			23,168	23,168
Other innovation services			3,742	3,742
<i>Total by category of product/service</i>	<b>51,293</b>	<b>37,821</b>	<b>36,256</b>	<b>125,370</b>

#### *Other revenues and income*

<i>Amounts in thousands of Euro</i>	<b>six-month period closed at 30 June</b>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
Government grants	1,000	399	601
Capital gains on the sale of assets	1	180	-178
Rental income on investment property	16	0	16
Other	204	554	-350
<b>Other revenues and income</b>	<b>1,221</b>	<b>1,133</b>	<b>89</b>

### 35. COSTS OF RAW MATERIALS

Costs of raw materials in First Half 2019 amounted to € 3,415 thousand (€ 2,875 thousand in First Half 2018) and refer almost entirely to the Digital Trust Business Unit, in large part to InfoCert, and mainly include the amounts relating to the purchase of IT products intended for resale to customers. Costs of raw materials are up 18.8% compared to the same period of the prior year, of which 4.5% due to organic change and 14.2% to the changes in the scope of consolidation.

<i>Amounts in thousands of Euro</i>	<i>six-month period closed at 30 June</i>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
Hardware, software	3,416	2,648	768
Production consumption	0	115	-115
Change in inventory of raw and ancillary materials, consumables and goods	-1	112	-113
<b>Costs of raw materials</b>	<b>3,415</b>	<b>2,875</b>	<b>540</b>

### 36. SERVICE COSTS

In 2018, *Service costs* totalled € 40,731 thousand (€ 38,657 thousand in First Half 2018). Service costs rose compared to the same period of the prior year 5.4%, of which 5.2% due to organic growth, 4.2% to the changes in the scope of consolidation and -4.0% to the adoption of IFRS 16 from 1 January 2019. The amount would have been € 42,278 thousand if the Group had not adopted IFRS 16, mainly due to the effect of the costs relating to lease payments on properties and vehicles that would have been recognised under *Costs for use of third-party assets*.

<i>Amounts in thousands of Euro</i>	<i>six-month period closed at 30 June</i>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
Purchase of access to databases	11,227	12,208	-981
Technical services	11,040	10,242	798
Costs for use of third-party assets	1,979	3,278	-1,300
Advertising, marketing and communication	1,971	1,394	576
Travel, assignments, and lodging expenses	1,899	1,716	183
Maintenance costs	1,817	1,113	704
Costs for agent network	1,540	1,445	96
Specialist professional services	1,497	1,582	-85
Consultancy	1,424	467	957
Help desk services	1,251	959	292
Network and connectivity costs	983	761	222
Utilities and telephone costs	584	565	19
Banking costs	485	386	98
IT structure costs	366	1,104	-738
Insurance	295	274	21
Independent auditors' fees for audit and other services	215	199	17
Statutory auditors' fees	199	192	7
Other service costs	3,097	1,924	1,173
Capitalised service costs	-1,140	-1,154	14
<b>Service costs</b>	<b>40,731</b>	<b>38,657</b>	<b>2,075</b>
<i>of which vs. Related Parties</i>	<b>502</b>	<b>635</b>	<b>-132</b>
<i>of which non-recurring</i>	<b>755</b>	<b>401</b>	<b>354</b>

*Costs for use of third-party assets* at 30 June 2019 include € 1,693 thousand in costs of instalments and software licences, € 281 thousand in instalments on property and vehicle leases for which the terms of the lease are less than 12 months or which is expected to expire within 12 months of the date of the initial application of IFRS 16 (1 January 2019) and € 4 thousand in instalments on low value assets.

*Technical services* represent professional and technical services relating to the Group's ordinary operations, which can be potentially insourced and are activated only for technical and organisational reasons or business practice. These include € 5,936 thousand relating to the Digital Trust segment (€ 4,210 thousand in First Half 2018), € 1,615 thousand to the Credit Information & Management segment (€ 2,144 thousand in First Half 2018) and € 3,489 thousand relating to the Innovation & Marketing Services segment (€ 3,888 thousand in First Half 2018).

In First Half 2019, non-recurring service costs of € 755 thousand were recorded, relating primarily to *Consultancy*, of which € 705 thousand for costs linked to the implementation of the new Group operating model and € 51 thousand in restructuring costs of the company Visura following the merger by incorporation with its subsidiaries.

### 37. PERSONNEL COSTS

In 2018, *Personnel costs* totalled € 44,593 thousand (€ 38,447 thousand in First Half 2018). Personnel costs rose compared to the prior year by 16.0%, of which 12.2% due to organic growth, 4.2% to the change in the scope of consolidation and -0.4% to the adoption of IFRS 16 from 1 January 2019. The amount would have been € 44,731 thousand if the Group had not adopted IFRS 16, mainly due to the effect of the costs relating to lease payments on vehicles that would have been recognised under *Other personnel costs*.

<i>Amounts in thousands of Euro</i>	<i>six-month period closed at 30 June</i>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
Wages and salaries	28,043	26,325	1,718
Social security contributions	8,361	7,443	918
Employee severance indemnity	1,804	1,725	79
Retirement incentives	523	97	426
Provisions for disputes with personnel	0	-46	46
Provisions for stock options	3,293	182	3,112
Other personnel costs	1,498	1,605	-108
Capitalised personnel costs	-1,394	-1,144	-249
Directors' fees	2,130	1,933	197
Ongoing partnerships	334	327	7
<b>Personnel costs</b>	<b>44,593</b>	<b>38,447</b>	<b>6,146</b>
<i>of which non-recurring</i>	<b>239</b>	<b>134</b>	<b>105</b>

The number of employees at 30 June 2019 is shown below along with the average number of employees in First Half 2019, compared with the average number of employees in First Half 2018.

<i>Number of employees</i>	<b>30/06/2019</b>	<i>Average number in six-month period closed at 30 June</i>	
		<b>2019</b>	<b>2018</b>
Senior Management	35	35	32
Middle Management	171	173	163
Employees	1,080	1,074	1,001
<b>Total</b>	<b>1,286</b>	<b>1,282</b>	<b>1,196</b>

The increase in the average number explains the increase in the items *Wages and salaries*, *Social security contributions* and *Employee severance indemnity*.



The item *Stock Options Provisions* includes the allocation for the year of € 3,293 thousand relating to the liability connected with the Virtual Stock Options Plan approved by the Parent Company's Board of Directors on 14 November 2016 and targeted at Key Management Personnel, aimed at the disbursement of the deferred sums corresponding to the increase in value of Tinexta shares, and consequently to create value for Shareholders; the allocation in the period reflects the significant increase in the price of the shares registered in First Half 2019 (from € 6.25 at 31 December 2018 to € 13.16 at 30 June 2019).

Non-recurring personnel costs recorded in the year refer to the restructuring expenses incurred as part of the termination of employment contracts linked to the Eurofidi business unit.

### 38. CONTRACT COSTS

The item *Contract costs*, introduced following application of IFRS 15, includes the periodic release of the year's share of the incremental cost assets capitalised for obtaining or fulfilling the contract (better described in Note 19. *Contract cost assets*).

<i>Amounts in thousands of Euro</i>	<i>six-month period closed at 30 June</i>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
Contract obtainment costs	3,208	3,683	-475
Contract fulfilment costs	983	961	21
<b>Contract costs</b>	<b>4,191</b>	<b>4,644</b>	<b>-454</b>

### 39. OTHER OPERATING COSTS

In 2018, *Other operating costs* totalled € 1,293 thousand (€ 1,014 thousand in First Half 2018). The item recorded growth compared to the prior year, equal to 27.6%, of which 13.3% due to organic change and 14.2% to the change in the scope of consolidation. These costs refer to items of a residual nature, the most significant of which include: sundry taxes and duties (€ 357 thousand) and membership fees, donations and gifts (amounting to € 131 thousand).

### 40. AMORTISATION/DEPRECIATION, PROVISIONS AND IMPAIRMENT

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

<i>Amounts in thousands of Euro</i>	<i>six-month period closed at 30 June</i>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
Depreciation of property, plant and equipment	3,329	1,775	1,554
Amortisation of intangible assets	6,392	5,392	1,000
Depreciation of investment property	9	0	9
<b>Amortisation/depreciation</b>	<b>9,730</b>	<b>7,167</b>	<b>2,564</b>
<b>Provisions</b>	<b>132</b>	<b>-117</b>	<b>248</b>
<b>Impairment</b>	<b>1,158</b>	<b>890</b>	<b>267</b>

*Amortisation and depreciation* in First Half 2019 amounted to € 9,730 thousand (€ 7,167 thousand in 2018), of which € 3,329 thousand referring to *Property, plant and equipment* (€ 1,677 thousand on rights of use), € 6,392 thousand to *Intangible assets*, and € 9 thousand to *Investment property*. The adoption of IFRS 16 involved the recognition of higher depreciation on *Property, plant and equipment* of € 1,634 thousand. For further details regarding the breakdown of amortisation/depreciation, reference is made to Notes 13, 14 and 15.

Regarding the nature of *Provisions* for the period, reference is made to Note 28. *Provisions*.

The item *Impairment* in the period (€ 1,158 thousand) refers entirely to the expected losses on trade receivables (in this regard, please refer to Note 21. *Trade and other receivables*).

#### 41. NET FINANCIAL INCOME (CHARGES)

In 2018, *Net operating costs* totalled € 1,269 thousand (€ 995 thousand in First Half 2018). The amount would have been € 1,097 thousand if the Group had not adopted IFRS 16 from 1 January 2019.

<i>Amounts in thousands of Euro</i>	<i>six-month period closed at 30 June</i>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
Financial income	226	82	143
<i>of which non-recurring</i>	148	0	148
Financial charges	1,494	1,077	417
<i>of which vs. Related Parties</i>	284	248	36
<b>Net financial income (charges)</b>	<b>-1,269</b>	<b>-995</b>	<b>-274</b>

#### *Financial income*

<i>Amounts in thousands of Euro</i>	<i>six-month period closed at 30 June</i>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
Bank and postal interest	3	9	-6
Positive adjustment to financial instruments at fair value	26	40	-15
Income on financial assets at amortised cost	19	4	15
Exchange gains	17	0	17
Other financial income	160	29	132
<b>Financial income</b>	<b>226</b>	<b>82</b>	<b>143</b>
<i>of which non-recurring</i>	148	0	148

The *Positive adjustment to financial instruments at fair value* is related to financial assets classified as “Financial assets at fair value” referred to in Note 23. *Other current financial assets*, as well as capitalisation insurance contracts pursuant to notes 17 and 23.

Financial income on *Financial assets at amortised cost* includes implicit interest income accrued on the price deferment granted to the purchasers of Creditreform Assicom Ticino S.A.

*Non-recurring financial income* for First Half 2019 includes the capital gain of € 148 thousand recognised as a result of disposal of the stake in Moxoff S.r.l. (for details, see Note 16. *Equity investments*).

## Financial charges

Amounts in thousands of Euro	six-month period closed at 30 June		
	2019	2018	Change
Interest expenses on bank loans	500	356	145
Amortised cost adjustment on bank loans	255	244	11
Interest expenses to Controlling Shareholder for loans	245	248	-3
Interest expenses on leases	190	15	175
Negative adjustment to the fair value of contingent consideration	119	55	64
Interest expenses on payment deferrals	79	87	-8
Charges on hedging derivatives	62	58	4
Negative adjustment to financial instruments at fair value	3	3	0
Other interest expenses	6	2	4
Other financial charges	0	5	-5
Exchange losses	34	5	29
<b>Financial charges</b>	<b>1,494</b>	<b>1,077</b>	<b>417</b>
<i>of which vs. Related Parties</i>	<b>284</b>	<b>248</b>	<b>36</b>

The increase in *Interest expenses on bank loans* reflects the higher interest recognised on the **Crédit Agricole line B, BPS, Credem and Intesa Sanpaolo Group** loans obtained between the second half of 2018 and First Half 2019. The total financial charges in the year related to bank loans also include € 255 thousand for expenses accrued by applying the effective interest criterion, and € 62 thousand for *Charges on hedging derivatives* (the ineffective component of Charges on hedging derivatives amounts to € 11 thousand and relates to the Time Value component on the *Crédit Agricole Floors* pursuant to Note 25. *Derivative financial instruments*).

*Interest expenses on leases* include higher interest of € 172 thousand, recognised due to the adoption of IFRS 16 at 1 January 2019.

The *Negative adjustment to the fair value of contingent considerations* was impacted by adjustment of the contingent considerations (Earn outs) to be paid to the selling Shareholders of Sixtema (for the details, refer to Note 30. *Financial liabilities*).

## 42. INCOME TAXES

In First Half 2019, the income tax expense totalled € 6,079 thousand, and can be detailed as follows:

Amounts in thousands of Euro	six-month period closed at 30 June		
	2019	2018	Change
IRES	5,694	4,922	771
IRAP	1,398	940	458
Current foreign taxes	32	32	0
Deferred tax liabilities	-1,088	-983	-105
Deferred tax assets	175	1,448	-1,272
Income taxes related to previous years	-132	34	-166
Proceeds from tax consolidation	0	-397	397
<b>Income taxes</b>	<b>6,079</b>	<b>5,997</b>	<b>83</b>
<i>of which non-recurring</i>	<b>-483</b>	<b>-104</b>	<b>-379</b>

The item *Deferred tax liabilities* refers predominantly to the releases of deferred tax liabilities relating to the amortisation of intangible assets recorded at the time of the accounting of business combinations at fair value.

*Non-recurring components* include the tax effect on non-recurring components of *Profit before tax* (amounting to € -249 thousand between IRES and IRAP) as well as the income recognised for the “Patent Box” benefit. In order to take advantage of the tax relief pursuant to art. 1, paragraphs 37-45 of Italian Law no. 190 of 23 December 2014 (“Patent Box”) for the year 2015 and the four subsequent years, on 23 December 2015 InfoCert S.p.A. electronically sent to the Revenue Agency the Form “Option for the facilitated taxation system on income deriving from the use of intangible assets”, approved by Measure of the Director of the Revenue Agency of 10 November 2015, Prot. 144042. On 17 December 2018, the Company entered into a preventive agreement with the Revenue Agency to define the calculation methods and criteria relating to the economic contribution for the direct use of intangible assets. In light of this, the Group determined the effects of this agreement by recognising the estimated benefit for First Half 2019 in item Taxes in the Financial Statements, amounting to € 234 thousand.

The actual tax rate on the *Profit before tax* is 30.3%, essentially in line with the same period of the prior year (30.0%).

## Additional information

### 43. EARNINGS PER SHARE

Basic earnings per Share are calculated by dividing Net Profit for the period attributable to the Group by the weighted average number of Ordinary Shares outstanding during the period (net of any Treasury Shares):

	<i>six-month period closed at 30 June</i>	
	<b>2019</b>	<b>2018</b>
<i>Group Net Profit (thousands of Euro)</i>	13,758	13,578
Weighted average number of outstanding ordinary shares	46,890,120	46,573,120
Basic earnings per share (Euro)	0.29	0.29

Diluted earnings, equal to € 0.29 per share, include the effects of the 2016-2019 Tinexta Warrants for a total of 317,000 Shares, granted in favour of the Shareholder Cedacri S.p.A., which envisage an issue price of Shares in service of the Warrants of € 3.40 per Share, compared to an average fair value of Tinexta Shares in First Half 2019, weighted by volume, of € 10.75 per share:

	<i>six-month period closed at 30 June</i>	
	<b>2019</b>	<b>2018</b>
<i>Group Net Profit (thousands of Euro)</i>	13,758	13,578
Diluted weighted average number of shares	47,106,839	46,894,261
Diluted earnings per share (Euro)	0.29	0.29

#### 44. TRANSACTIONS WITH RELATED PARTIES

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

Below is the summary table of all equity balances and the incidence on the related items of the Statement of Financial Position at 30 June 2019 and the relative comparative figures at 31 December 2018:

30/06/2019								
<i>Amounts in thousands of Euro</i>	Non-current financial assets	Current tax assets	Trade and other current receivables	Non-current financial liabilities	Non-current contract liabilities	Current financial liabilities	Trade and other current payables	Current contract liabilities
Controlling Shareholder		458	20	542		353	137	
Associated companies			134		19		31	19
Other Related Parties				1,254		505		
<b>Total Related Parties</b>	<b>0</b>	<b>458</b>	<b>154</b>	<b>1,796</b>	<b>19</b>	<b>858</b>	<b>168</b>	<b>19</b>
<b>Total financial statement item</b>	<b>1,139</b>	<b>1,297</b>	<b>88,816</b>	<b>103,960</b>	<b>8,938</b>	<b>70,961</b>	<b>51,564</b>	<b>40,617</b>
<i>% Incidence on Total</i>	<i>0.0%</i>	<i>35.3%</i>	<i>0.2%</i>	<i>1.7%</i>	<i>0.2%</i>	<i>1.2%</i>	<i>0.3%</i>	<i>0.0%</i>
31/12/2018								
<i>Amounts in thousands of Euro</i>	Non-current financial assets	Current tax assets	Trade and other current receivables	Non-current financial liabilities	Non-current contract liabilities	Current financial liabilities	Trade and other current payables	Current contract liabilities
Controlling Shareholder	8	458	20			25,252	97	0
Associated companies			2				144	
Other Related Parties			21				33	
<b>Total Related Parties</b>	<b>8</b>	<b>458</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>25,252</b>	<b>274</b>	<b>0</b>
<b>Total financial statement item</b>	<b>1,123</b>	<b>4,519</b>	<b>86,321</b>	<b>70,667</b>	<b>8,395</b>	<b>97,380</b>	<b>53,318</b>	<b>40,587</b>
<i>% Incidence on Total</i>	<i>0.7%</i>	<i>10.1%</i>	<i>0.1%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>25.9%</i>	<i>0.5%</i>	<i>0.0%</i>

The decrease in *Financial liabilities* due to the Controlling Shareholder reflects the repayment of the loan payable of € 25 million in the contractually agreed time frame. Interest accrued up to the repayment date remains payable on said loan (€ 245 thousand).

A lease payable is booked to *Financial liabilities*, for property leases already in place as at 1 January 2019, due from the Controlling Shareholder Tecno Holding S.p.A. (€ 650 thousand) and other Group related parties (€ 1,758 thousand).

The table below summarises all economic transactions and the incidence on the associated items of the Income Statement in First Half 2019 and the relative comparative balances in First Half 2018:

six-month period closed at 30 June 2019				
<i>Amounts in thousands of Euro</i>	Revenues	Service costs	Other operating costs	Financial charges
Controlling Shareholder		189		252
Associated companies	20	309		
Other Related Parties		4		32
<b>Total Related Parties</b>	<b>20</b>	<b>502</b>	<b>0</b>	<b>284</b>
<b>Total financial statement item</b>	<b>126,592</b>	<b>40,731</b>	<b>1,293</b>	<b>1,494</b>
<i>% Incidence on Total</i>	<i>0.0%</i>	<i>1.2%</i>	<i>0.0%</i>	<i>19.0%</i>

six-month period closed at 30 June 2018				
<i>Amounts in thousands of Euro</i>	Revenues	Service costs	Other operating costs	Financial charges
Controlling Shareholder		190		248
Associated companies	1	21		
Other Related Parties	1,144	423	3	
<b>Total Related Parties</b>	<b>1,145</b>	<b>635</b>	<b>3</b>	<b>248</b>
<b>Total financial statement item</b>	<b>114,510</b>	<b>38,657</b>	<b>1,014</b>	<b>1,077</b>
<i>% Incidence on Total</i>	<i>1.0%</i>	<i>1.6%</i>	<i>0.3%</i>	<i>23.0%</i>

*Service costs* to the Controlling Shareholder mainly relate to service contracts in place for the offices used by the Parent Company and RE Valuta S.p.A., as well as for personnel seconded to the Parent Company.

The decrease in *Service costs* due to other related parties for First Half 2018 relates mainly to lease payments, which was impacted by the adoption of IFRS 16. *Financial charges* of € 32 thousand were recognised on said leases.

*Service costs* due to associated companies include the purchases with associated companies eTuitus and Creditreform GPA Ticino.

The *Financial charges* to the Controlling Shareholder refer to the interest accrued on the above-mentioned loan as well as on the leases in place.

#### 45. NET FINANCIAL INDEBTEDNESS

As required by Consob communication no. DEM/6064293 of 28 July 2006, the Group's Net Financial Indebtedness at 30 June 2019 is provided below:

<i>Amounts in thousands of Euro</i>	30/06/2019	<i>of which vs. Related Parties</i>	31/12/2018	<i>of which vs. Related Parties</i>
A Cash	26,647		35,117	
B Other cash equivalents	14		19	
C Securities held for trading	0		0	
<b>D Liquid assets (A+B+C)</b>	<b>26,660</b>		<b>35,136</b>	
<b>E Current financial receivables</b>	<b>8,246</b>		<b>8,186</b>	
F Current bank debt	-1,174		-8,113	
G Current portion of non-current debt	-18,342		-12,018	
H Other current financial debt	-51,445	-858	-77,252	-25,252
<b>I Current financial debt (F+G+H)</b>	<b>-70,961</b>		<b>-97,384</b>	
<b>J Net current financial position (Indebtedness) (D+E+I)</b>	<b>-36,055</b>		<b>-54,062</b>	
K Non-current bank debt	-86,548		-45,706	
L Bonds issued	0		0	
M Other non-current financial debt	-17,642	-1,796	-25,178	
<b>N Non-current financial debt (K+L+M)</b>	<b>-104,190</b>		<b>-70,884</b>	
<b>O Net Financial Position (Indebtedness) (J+N)</b>	<b>-140,245</b>		<b>-124,946</b>	

## 46. KEY EVENTS SUBSEQUENT TO THE END OF THE YEAR

On **19 July 2019**, the options were exercised on the remaining 10% of the share capital of Co.Mark S.p.A., as defined in the Option Contract entered into at the time of acquisition. Thanks to this transaction, whose cost was € 5,219 thousand, Tinexta assumes total ownership of Co.Mark S.p.A., which operates in the Innovation & Marketing Services sector. The transaction was financed by using the loan concluded with the Intesa Sanpaolo Group on 28 March 2019.

On the same date, Tinexta concluded two Interest rate swaps with Banca Intesa Sanpaolo. The transactions were entered into to hedge the floating rate loan entered into with the Intesa Sanpaolo Group 28 March 2019. Through these transactions, Tinexta synthetically fixed the total cost of the entire debt of € 50 million at a fixed rate of 1.237%, against an interest rate of the floating rate loan (and therefore exposed to growth in interest rates).

On **24 July 2019**, Tinexta completed another interest rate swap with Crédit Agricole. The transaction was entered into to hedge the floating rate loan contracted on 4 December 2018 for a total of € 15 million, which was used on 28 June last year to repay the loan to the Controlling Shareholder Tecno Holding. Through this transaction, Tinexta synthetically fixed the total cost of the entire debt of € 15 million at a fixed rate of 1.28%, against an interest rate of the floating rate loan (and therefore exposed to growth in interest rates), with a minimum of 1.50%, applicable before the stipulation of the derivatives.

On **30 July 2019** Tinexta S.p.A., pursuant to the purchase contract signed on 9 June 2016, exercised the options on the remaining 40% of the share capital of Visura S.p.A., wholly owning the company. The consideration was set as € 15,372 thousand for the purchase of 40% of the share capital of Visura. The transaction was financed by using € 11,887 thousand of the loan concluded with the Intesa Sanpaolo Group on 28 March and with own equity for the remaining amount.

## Certification of the Condensed Interim Consolidated Financial Statements pursuant to art. 81-ter of Consob Regulation no. 11971 of 14 May 1999 as amended

1. The undersigned Pier Andrea Chevallard and Nicola Di Liello, as Chief Executive Officer and Manager responsible for the preparation of the corporate accounting documents of Tinexta S.p.A., respectively, certify, taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree 24 February 1998 n. 58:
  - the adequacy in relation to the characteristics and
  - the effective application of the administrative and accounting procedures in drawing up the Condensed Interim Consolidated Financial Statements of First Half 2019.
2. In this regard, it is stated that no material aspects were identified.
3. It is also certified that:
  - 3.1 The Condensed Interim Consolidated Financial Statements:
    - a. are drawn up in accordance with the applicable international accounting standards recognised in the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002;
    - b. correspond to the results of the books and accounting records;
    - c. are suitable in providing a true and accurate representation of the Balance Sheet, Income Statement and financial position of the Company and of the set of companies included within the scope of consolidation.
  - 3.2 The Interim Report on Operations provides a reliable analysis of information on the key events that took place during the first six months of the year and on their impact on the Condensed Interim Consolidated Financial Statements, along with a description of the main risks and uncertainties for the remaining six months of the year. The Interim Report on Operations also includes a reliable analysis of the information on significant transactions with related parties.

Turin, 5 August 2019

Pier Andrea Chevallard  
Chief Executive Officer

Nicola Di Liello  
Manager responsible for the preparation of  
Corporate Accounting Documents





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

## Report on review of condensed interim consolidated financial statements

*To the Shareholders of  
Tinexta S.p.A.*

### Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Tinexta Group comprising the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes thereto, as at and for the six months ended 30 June 2019. 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.

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

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*Tinexta Group*  
*Report on review of condensed interim consolidated financial statements*  
*30 June 2019*

## **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 Tinexta 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.

Rome, 7 August 2019

KPMG S.p.A.

(signed on the original)

Arrigo Parisi  
Director of Audit