

# HALF-YEAR FINANCIAL REPORT at 30/06/2020

This English version of Tinexta's Half-Year Financial Report at 30/06/2020 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, subscribed and paid-in € 47,207,120  
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 Meravigli, 7 – 20123 Milan  
Piazza Luigi Da Porto, 3 – 35131 Padua  
Via Principi d'Acaia, 12 – 10138 Turin

## SUMMARY OF GROUP RESULTS

Summary economic data (€ '000s)	1st Half 2020	1st Half 2019	Change	Change %
Revenues	123,817	126,592	-2,774	-2.2%
EBITDA <i>before Stock Options</i>	34,451	35,663	-1,212	-3.4%
EBITDA	34,412	32,369	2,043	6.3%
Operating Profit	21,653	21,350	304	1.4%
Net Profit	15,991	14,016	1,975	14.1%
Adjusted Net Profit	16,695	19,120	-2,425	-12.7%
<i>Free Cash Flow</i>	28,919	23,751	5,168	21.8%

Summary economic data (€ '000s)	2nd Quarter 2020	2nd Quarter 2019	Change	Change %
Revenues	68,906	66,857	2,049	3.1%
EBITDA <i>before Stock Options</i>	23,535	20,595	2,940	14.3%
EBITDA	23,496	17,919	5,577	31.1%
Operating Profit	16,972	12,182	4,790	39.3%
Net Profit	13,073	8,161	4,912	60.2%
Adjusted Net Profit	12,803	11,626	1,178	10.1%
<i>Free Cash Flow</i>	8,806	5,823	2,982	51.2%

Summary equity-financial data (€ '000s)	30/06/2020	31/12/2019	Change	Change %
Share Capital	47,207	47,207	0	0.0%
Shareholders' Equity	153,531	149,426	4,105	2.7%
Net Financial Indebtedness	114,597	129,138	-14,540	-11.3%

## 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, EU Regulation 910/2014) and customer and sector compliance standards. Products can also be broken down between Off the Shelf products (Telematic Trust Solutions) such as certified e-mail (Legalmail), electronic storage, digital signature, e-invoicing and e-Enterprise Solutions such as Trusted Onboarding Platform (TOP) and GoSign, within the market of Digital Transaction Management. *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 Qualified Trust Service Provider ("QTPS"), i.e. a 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, operating in Spain in the *Digital Trust* sector and present in the South American market as well (Camerfirma Perú S.A.C. and Camerfirma Colombia S.A.S.), 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 was aimed at strengthening LuxTrust's positioning in the domestic market and laying the foundations for business development in other European markets, in particular, Netherlands, Belgium and France.

Visura S.p.A. is active in the *Digital Trust* market, mainly through the sale of Telematic Trust Solutions and resale of product services such as certified e-mail, digital signature and electronic invoicing. It also offers products and services in the IT sector for professional associations such as telematic certificates, Quadra (electronic filing of documents and management of civil proceedings), electronic filing of practices and financial statements, CAF Facile (the filing of 730 tax returns and related documents). It

manages a database of approximately 450 thousand customers including professionals, professional firms, public administrations, professional associations and companies.

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.

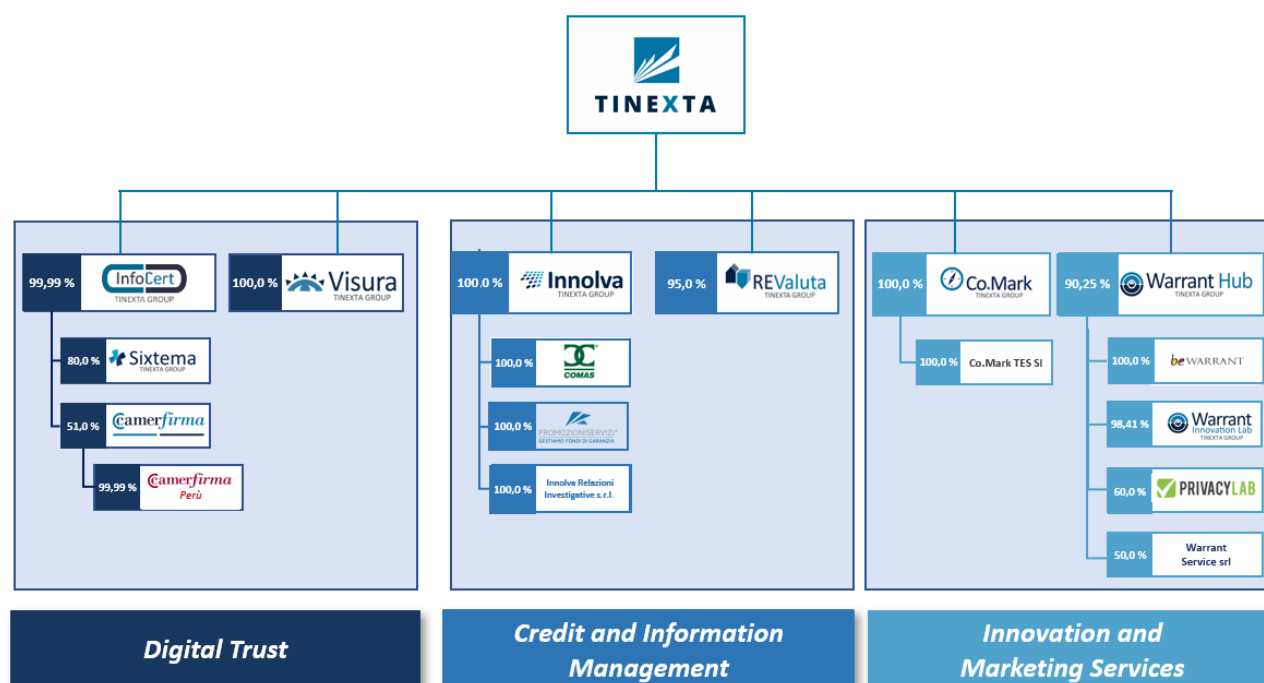
In relation to Credit Information & Management, the Group operates through Innolva S.p.A. (created from the merger of the companies Assicom S.p.A. and Ribes S.p.A. in 2017) and its subsidiaries Comas S.r.l. (acquired in July 2018), Promozioni Servizi (acquired in October 2018), and Innolva Relazioni Investigative (incorporated in October 2018), through which a complete range of information services is provided to support decision-making processes for the granting, assessment and recovery of credit, along with credit management and business information services. The aim is to support banks and SMEs at every stage of the credit management and recovery cycle. Since 2018, Innolva has controlled Comas (which in 2020 merged Webber S.r.l. by incorporation) established in 1976 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.

3. The *Innovation & Marketing Services* BU operates in the market through Co.Mark S.p.A. (acquired in 2016) and 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<sup>®</sup> (Temporary Export Specialist<sup>®</sup>), 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 innovation/R&D to obtain subsidised and integrated loans primarily from the Ministry of Economic Development and the Regions, as well as the tools provided by the National Industry Plan 4.0. BeWarrant and the European Funding Division of Warrant Hub support European projects for research, development or innovation, facilitating access to the European co-financing through dedicated programmes such as *Horizon 2020* (in the future *Horizon Europe*), *Life*, *SME Instruments* and *Fast Track to Innovation*. 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. Privacy Lab, acquired in January of the current year, operates in the sale of licenses, consulting, training and tools for managing GDPR compliance.

Structure of the Tinexta Group, including controlling interests held, at 30 June 2020.



## KEY EVENTS OF THE PERIOD

Key events that occurred in the first half of 2020:

- On **9 January 2020**, InfoCert S.p.A. acquired 1% of the share capital of Camerfirma Colombia S.A.S. held by the subsidiary Camerfirma S.A. Camerfirma Colombia S.A.S. is therefore 24% owned by Camerfirma S.A. and 1% by InfoCert S.p.A.
- On **27 January 2020**, Warrant Hub S.p.A. closed the acquisition of 60% of PrivacyLab S.r.l., operating in the sale of licenses, advisory services, training and tools for the management of compliance with GDPR provisions. The acquisition falls under the diversification process of the offer under the Industry 4.0 Plan, leveraging on the know-how related to advisory expertise on innovation, already present in the subsidiary Warrant Innovation Lab S.r.l. and in the strategy of growth focused on the capacity to adopt solutions that are easily scalable. PrivacyLab S.r.l. ended 2019 with revenues amounting to roughly € 1.1 million and an EBITDA of around € 360 thousand.<sup>1</sup> An advance payment on the acquisition price equal to 60% of the share capital of Privacy Lab was made on the closing date, amounting to € 612 thousand. As regards this transaction, it was established that with the approval of the financial statements at 31 December 2019, an earn-out may be recognised, calculated on the basis of EBITDA and the net financial position (contractually defined) at 31 December 2019, to be paid for 50% by 30 June 2020 and for the remaining 50% by 31 December 2020. This price integration was defined as 690 thousand of Euro, 50% (345 thousand of Euro) was paid on 30 June 2020. Warrant Hub SpA, through a Put & Call options system, has the possibility to acquire the remaining 30% of the company in 2022 after the approval of the financial statements ended 31 December 2021. Warrant Hub also holds a Call option on the residual 10% to be exercised at the same deadline of 2022.

<sup>1</sup>Data prepared according to ITA GAAP standards.



3. On **17 February 2020**, the merger by incorporation of the company Webber S.r.l. into Comas S.r.l., both subsidiaries of Innolva S.p.A., effective from 1 March 2020 for legal purposes, was finalised. The accounting and tax effects are retroactive to 1 January 2020.
4. On **28 April 2020**, the Tinexta S.p.A. Shareholders' Meeting approved the Board's proposal not to distribute dividends and to reinvest the Group's 2019 profit; € 1,202 thousand equal to 5% (of Net Profit) was allocated to the Legal Reserve, the remainder, € 22,843 thousand, was carried forward. The Shareholders' Meeting also approved the 2020-2022 Stock Option Plan in favour of executive directors and executives with strategic responsibilities and other management figures of Tinexta Group and other Companies of the Tinexta Group and renewed the authorization of the Company to purchase and dispose Treasury Shares under Articles 2357 and ss. of the Civil Code and Article 132 of the TUF (hereafter, the Italian Consolidated Law on Finance).
5. On **7 May 2020**, Tinexta S.p.A. received notice of the exercise of the Put option on 11.875% of the capital of RE Valuta S.p.A. by the minority shareholder Coesa S.r.l. Tinexta acquired the equity interest in question on **15 June 2020** for a total of € 2,393 thousand. Consequently, Tinexta S.p.A. now holds 95% of RE Valuta S.p.A.
6. On **15 May 2020**, Tinexta S.p.A. announced the start of the Treasury Share purchase programme in implementation of the authorisation approved by the Shareholders' Meeting of 28 April 2020. Details can be found in the paragraph **Treasury share purchase programme**.
7. On **28 May 2020**, Tinexta S.p.A. signed a loan agreement with UBI Banca to reschedule a previous loan with a nominal residual value of € 7.8 million, envisaging the disbursement of € 10 million at a lower interest rate and maturing on 28 May 2023, in line with the due date of the previous loan. In accordance with IFRS 9, this rescheduling led to the recognition of financial income amounting to € 122 thousand.
8. On **18 June 2020**, Tinexta S.p.A. and Innolva S.p.A. signed a loan agreement with a pool of banks, in which Crédit Agricole Italia S.p.A. is the mandated lead arranger, to reschedule previous loans with a nominal residual value of € 30.6 million, envisaging the disbursement of € 31 million at a lower interest rate and extending the due date from 30 June 2023 to 30 June 2025. In accordance with IFRS 9, this rescheduling led to the recognition of financial income amounting to € 588 thousand. The agreement envisaged an additional credit facility for € 10 million, usable in one or more tranches by 31 December 2020.
9. On **23 June 2020**, the Board of Directors of Tinexta S.p.A. resolved to allocate options in execution of the long-term incentive scheme known as the "2020-2022 Stock Option Plan", as approved by the Shareholders' Meeting on 28 April 2020. Details can be found in the paragraph **2020-2022 Stock Option Plan**.
10. On the same date, **23 June 2020**, the Board of Directors of Tinexta S.p.A. approved the Revised Budget and objectives for 2020, prepared in the light of the COVID-19 crisis, which forecast Revenues of more than € 250 million and EBITDA of € 72 million, with a slight improvement in the EBITDA margin compared to 2019. Details can be found in the paragraph **Business Outlook**.
11. On **29 June 2020**, the Put & Call option contracts were renegotiated with the minority shareholders on 20% of Sixtema S.p.A. The option can be exercised in 2023 after approval of the 2022 Financial Statements, at a variable price linked to changes in the revenues of Sixtema S.p.A. in the period 2020-2022 with respect to a specific group of customers, compared to the revenues achieved in the same category in 2019.

## IMPLICATIONS OF THE COVID-19 PANDEMIC ON THE CONDENSED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2020

In the first few months of 2020 the problem of the COVID-19 became news, beginning to spread from China to the rest of the world, firstly to nearby countries and then to Europe, especially Italy. The increase in infections in Lombardy and other Italian regions led to the competent public authorities' adoption of urgent measures aimed at combatting and containing the spread of the virus.

In this respect it must be noted that, for the adoption of such measures, on 31 January 2020 the Council of Ministers assumed a 6-month state of emergency (until 31 July 2020, later extended until 15 October 2020). Subsequently, the Decree of the President of the Council of Ministers of 9 March 2020 ("Additional provisions implementing Decree Law no. 6 of 23 February 2020, providing urgent measures for the containment and management of the COVID-19 epidemic emergency, applicable to the entire country") published in Official Gazette no. 62 of 9 March 2020, extended the urgent provisions for containing and combating the spread of the COVID-19 virus set forth in article 1 of the DPCM (Decree of the President of the Council of Ministers) of 8 March 2020 - including restrictions on the movements of people, except for "demonstrated work reasons" or "situations of necessity" or "movements for health reasons" – to all of Italy.

Following the continuous increase in infections and deaths caused by COVID-19, on 11 March 2020 the President of the Council of Ministers issued a decree imposing additional emergency measures for containing the spread of the virus (the "DPCM 11 March"). Also on 11 March 2020, the World Health Organisation (the "WHO") declared that the COVID-19 epidemic was actually a pandemic, thus expressing "deep concern for the alarming levels of spread and severity". These emergency measures taken by the Italian government increased restrictions on the free movement of people, already introduced in the Lombardy region and in an additional 14 provinces with the DPCM of 8 March 2020 and subsequently extended to the entire country with the DPCM of 9 March 2020.

On 17 March, Decree Law no. 18 of 2020, called "Heal Italy" that set out a plan of economic measures worth €25 billion as support for companies and families, was approved. These measures provided for a suspension of payments of taxes and contributions, support for the international activities of companies and, in order to reduce labour costs and direct indemnities, extensive use of social shock-absorbers.

Decree Law no. 23 of 8 April expanded the group of entities who can benefit from the guarantees of the Central Guarantee Fund, at the same time raising the maximum percentage of coverage. In this context, the Group companies, in particular in the *Credit Information & Management* and *Innovation & Marketing Services* segments, have taken steps to seize this business opportunity and support the banks in the management of applications.

On 4 May 2020, Italy started "Phase 2" which allowed easing of the restrictions imposed to stop the spread of COVID-19.

On 11 June 2020, DPCM no. 147 containing Government measures for "Phase 3" of the coronavirus emergency was published in the Official Gazette. Monday, 15 June saw new rules triggered on movement and the re-opening of production and business activities, in force until 14 July, later extended to 31 July by the DPCM of 14 July 2020.

In this context of uncertainty, the Tinexta S.p.A. Shareholders' Meeting of 28 April 2020 approved the Board of Directors' proposal not to distribute dividends and to reinvest the 2019 profit in Group operations.

During the lockdown, the Group maintained its operations also through recourse to smart working (a.k.a. "remote working") and implemented incisive measures to reduce costs and manage the emergency, such as

incentives for using vacation and leave and the use of social shock absorbers (FIS) in the business segments most affected by the restrictions.

For the re-opening, the Group adopted all measures necessary to combat the virus and to protect the health of its employees and collaborators: room and workplace sanitising, purchase of personal protective equipment, dissemination of hygiene and social distancing rules, extension of smart working.

In a still difficult operating context, the Tinexta Board of Directors meeting of 23 June 2020 examined the Group performance in the first 5 months and the outlook for the rest of the year, illustrated by the Chief Executive Officer. The revenues trend and sales growth make it possible to forecast a recovery of revenues in the next few months, also through a product mix particularly suited to the new digital management methods for work and operations.

The recovery is tangible in the final results for the First Half. As described in the paragraphs that follow, the Tinexta Group has recorded overall positive half-year results at 30 June 2020. Revenues were down slightly by 2.2%, though EBITDA increased by 6.3%, the operating profit by 1.4% and net profit by 14.1%.

Goodwill is periodically tested to determine the existence of any impairment. As a result of its intensity and unpredictability, the COVID-19 pandemic qualifies as a potential external impairment indicator. The Group thus decided at 30 June to also take into consideration the reduced surplus recoverable value over the book value recorded at 31 December 2019 when measuring the recoverable value of the Co.Mark (*Innovation & Marketing Services*) and Innolva (Credit Information & Management) CGUs. In calculating the recoverable value of the CGUs concerned, an analysis was conducted of the financial projections based on current knowledge of the reference context influenced by elements such as the market response to external stimuli (public funding) now pending finalisation, the effectiveness of communications tools to be used in the next few months, additional cost-saving measures not yet endorsed by decree. In short, the assumptions underlying the 2020-22 plan were reviewed as regards business dynamics and the strategic guidance scenarios for the companies, and the financial values were reviewed downstream of changes in the macroeconomic scenario brought about by the pandemic. Further details can be found in the Notes to the Condensed Interim Consolidated Financial Statements.

No uncertainties or significant risks related to COVID-19 emerged from the analyses conducted within the Tinexta Group sufficient to give rise to doubts regarding going concern.

## 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 communication.

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\*Consob (*Commissione Nazionale per le Società e la Borsa*) is the supervisory authority for the Italian financial products market; its aims are to protect investors and the efficiency, transparency and development of the market.

**EBITDA:** 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”.

**EBITDA before Stock Options:** is calculated as EBITDA before cost (recognised under “Personnel costs”) relating to Stock Option plans.

**Adjusted EBITDA:** is calculated as “EBITDA before Stock Options”, before the non-recurring components.

**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 operating profit:** is calculated as “Operating profit” before the non-recurring components, before the cost (recognised under “Personnel costs”) relating to Stock Option plans, and before the amortisation of the Other intangible assets that emerged at the time of allocation of the price paid in Business Combinations.

**Adjusted Net Profit:** is calculated as “Net Profit” before the non-recurring components, before the cost relating to Stock Option plans, before the amortisation of Other intangible assets that emerged at the time of allocation of the price paid in Business Combinations, and before the adjustment of liabilities for contingent considerations related to the acquisitions, net of the related 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):** 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):** 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:** 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:** 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:** The algebraic sum of Net non-current assets and Net working capital.

## SUMMARY OF RESULTS FOR THE FIRST HALF OF 2020

The Group closed First Half 2020 with Revenues of € 123,817 thousand. EBITDA amounted to € 34,412 thousand, equal to 27.8% of Revenues. Operating Profit and Net Profit amounted to € 21,653 thousand and € 15,991 thousand, respectively, equal to 17.5% and 12.9% of Revenues.

Abbreviated Consolidated Income Statement (€ '000s)	1st Half 2020	%	1st Half 2020	%	Change	Change %
Revenues	123,817	100.0%	126,592	100.0%	-2,774	-2.2%
EBITDA before Stock Options	34,451	27.8%	35,663	28.2%	-1,212	-3.4%
EBITDA	34,412	27.8%	32,369	25.6%	2,043	6.3%
Operating Profit	21,653	17.5%	21,350	16.9%	304	1.4%
Net Profit	15,991	12.9%	14,016	11.1%	1,975	14.1%

Revenues fell by € 2,774 thousand compared to First Half 2019, or 2.2%, EBITDA increased by € 2,043 thousand or 6.3%, Operating Profit was up by € 304 thousand or 1.4%, and Net Profit by € 1,975 thousand or 14.1%.

The results for First Half 2020 were affected by the ongoing pandemic and the associated restrictions on activities which impacted the whole of March and April. From May, with the start of "Phase 2", business performance improved considerably, partly recovering the ground lost during the peak of the pandemic. As a result of the reduction in revenues, management implemented a cost-cutting policy which had an impact already from the second quarter.

First Half results include PrivacyLab S.r.l., consolidated from 1 January 2020. The effects of the contribution of PrivacyLab S.r.l. are reported below as a change in the scope of consolidation.

Breakdown of First Half 2020 Income Statement items compared with First Half 2019:

Consolidated Income Statement (in millions of Euro)	1st Half 2020	%	1st Half 2019	%	Change	Change %
<b>Revenues</b>	<b>123.8</b>	<b>100.0%</b>	<b>126.6</b>	<b>100.0%</b>	<b>-2.8</b>	<b>-2.2%</b>
<b>Total Operating Costs*</b>	<b>89.4</b>	<b>72.2%</b>	<b>90.9</b>	<b>71.8%</b>	<b>-1.6</b>	<b>-1.7%</b>
Costs of raw materials	4.5	3.6%	3.4	2.7%	1.1	32.2%
Service costs	39.9	32.2%	40.7	32.2%	-0.8	-2.0%
Personnel costs*	40.2	32.5%	41.3	32.6%	-1.1	-2.7%
Contract costs	3.8	3.1%	4.2	3.3%	-0.4	-8.6%
Other operating costs	0.9	0.7%	1.3	1.0%	-0.4	-29.2%
<b>EBITDA before Stock Options</b>	<b>34.5</b>	<b>27.8%</b>	<b>35.7</b>	<b>28.2%</b>	<b>-1.2</b>	<b>-3.4%</b>
Stock Option Cost *	0.04	0.0%	3.29	2.6%	-3.26	-98.8%
<b>EBITDA</b>	<b>34.4</b>	<b>27.8%</b>	<b>32.4</b>	<b>25.6%</b>	<b>2.0</b>	<b>6.3%</b>
Depreciation, amortisation, provisions and impairment	12.8	10.3%	11.0	8.7%	1.7	15.8%
<b>Operating Profit</b>	<b>21.7</b>	<b>17.5%</b>	<b>21.4</b>	<b>16.9%</b>	<b>0.3</b>	<b>1.4%</b>
Financial income	1.0	0.8%	0.2	0.2%	0.7	321.5%
Financial charges	1.4	1.1%	1.5	1.2%	-0.1	-8.3%
<b>Net Financial Charges</b>	<b>0.4</b>	<b>0.3%</b>	<b>1.3</b>	<b>1.0%</b>	<b>-0.8</b>	<b>-66.9%</b>
Profit of equity-accounted investments	0.1	0.1%	0.0	0.0%	0.1	521.2%
<b>Profit before tax</b>	<b>21.3</b>	<b>17.2%</b>	<b>20.1</b>	<b>15.9%</b>	<b>1.2</b>	<b>6.1%</b>
Income taxes	5.3	4.3%	6.1	4.8%	-0.7	-12.3%
<b>Net Profit</b>	<b>16.0</b>	<b>12.9%</b>	<b>14.0</b>	<b>11.1%</b>	<b>2.0</b>	<b>14.1%</b>

\* Personnel costs are stated net of the Stock Options Cost, reported hereunder, to better understand the construction of EBITDA before Stock Options.

**Revenues** decreased from € 126,592 thousand in the First Half 2019 to € 123,817 thousand in First Half 2020, down by € 2,774 thousand or 2.2%. The increase in Revenues attributable to the change in the scope of consolidation, owing to the consolidation of PrivacyLab S.r.l., was 0.5%; the organic decline is 2.7%.

**Operating costs** fell from € 90,929 thousand in the first six months of 2019 to € 89,366 thousand in the first six months of 2020, a decrease of € 1,563 thousand or 1.7%. The increase in operating costs attributable to the change in scope of consolidation was 0.3%, while the remaining 2.0% is due to organic decline.

In First Half 2020, costs of € 39 thousand were allocated to the 2020-2022 Stock Option Plan. Details can be found in the paragraph **2020-2022 Stock Option Plan**.

The item **Depreciation, amortisation, provisions and impairment**, for € 12,759 thousand (€ 11,019 thousand in the first six months of 2019) includes € 2,949 thousand of amortisation of other intangible assets arising upon allocation of the price paid in business combinations (€ 2,957 thousand in the first six months of 2019), mainly relating to Innolva, Visura, Co.Mark and Warrant Hub. The increase in the item was impacted by the rise in *Amortisation of intangible assets* (up € +744 thousand), in particular on Databases and Software, as well as higher provisions for *Impairment of trade receivables* (up € +720 thousand) and *Provisions for risks* (up € +229 thousand).

**Net financial charges** for First Half 2020 totalled € 419 thousand, considerably lower than the same period in the previous year (€ 1,269 thousand). The rescheduling of two loans in the period led to the recognition of non-recurring financial income of € 710 thousand.

**Profit from equity-accounted investments** stood at € 91 thousand (€ 15 thousand in First Half 2019).

Estimated **Income taxes**, calculated based on the tax rates envisaged for the year given current tax regulations, amount to € 5,334 thousand (€ 6,079 in First Half 2019). The *tax rate* is 25.0% (30.3% in the same period of the previous year), mainly due to recognition in the period of a non-recurring gain of € 723 thousand deriving from the elimination of the need to pay the balance of 2019 IRAP (regional corporate taxes) as provided for by Italian Law Decree 34/2020 (the “*Relaunch Decree*”), in addition to the recognition of “*Patent Box*” income for 2019 of € 367 thousand (€ 234 thousand in the same period last year).

### Adjusted Group Results

Adjusted economic results calculated before non-recurring components, the cost relating to Stock Option plans, the amortisation of Other intangible assets that emerged at the time of allocation of the price paid in business combinations, and the Adjustment of liabilities for contingent considerations related to acquisitions, net of the related tax effects. These indicators reflect the Group’s economic performance, net of non-recurring factors that are not directly attributable to the activities and operations of its core business, thus allowing a more homogeneous analysis of the Group’s performance in the periods under comparison.

Adjusted Income Statement (€ '000s)	1st Half 2020	%	1st Half 2019	%	Change	% Change
Adjusted Revenues	123,743	100.0%	126,592	100.0%	-2,848	-2.2%
Adjusted EBITDA	34,903	28.2%	36,657	29.0%	-1,754	-4.8%
Adjusted Operating profit	25,092	20.3%	28,595	22.6%	-3,502	-12.2%
Adjusted Net profit	16,695	13.5%	19,120	15.1%	-2,425	-12.7%

The adjusted results show a decrease in revenues of 2.2% compared to the previous year, 4.8% in EBITDA, 12.2% in Operating profit and 12.7% in Net profit.



### Non-recurring items

During the First Half, *Non-recurring revenues* were recorded for € 74 thousand, relating to insurance indemnities on non-recurring costs recognised in previous years, and *Non-recurring operating costs* for € 526 thousand, of which € 507 thousand linked to acquisitions of target companies.

*Non-recurring financial income* included € 710 thousand resulting from the rescheduling of two loans in the period.

*Non-recurring income taxes* includes non-recurring income of € 1,018 thousand, of which € 72 thousand for the tax effect on non-recurring components of profit before tax, € 723 thousand due to the gain resulting from the elimination of the payment of the balance of 2019 IRAP taxes foreseen by the “Relaunch Decree” and € 367 thousand for the 2019 “Patent Box” benefit.

In First Half 2019, *Non-recurring operating costs* were recorded for € 994 thousand, *Non-recurring financial income* for € 148 thousand and proceeds in *Non-recurring income taxes* for € 483 thousand.

### Stock Option costs

The costs recognised in the period, totalling € 39 thousand, refer to the 2020-2022 Stock Option Plan as described in full in the paragraph **2020-2022 Stock Option Plan**. In the first half of the previous year, the costs were € 3,293 thousand and referred to the Virtual Stock Option Plan concluded in 2019.

### Amortisation of Other intangible assets from Business Combinations

The amortisation of Other intangible assets that emerged at the time of the allocation of the price paid in Business Combinations came to € 2,949 thousand (€ 2,957 thousand in the same period of the previous year).

### Adjustment of the contingent considerations connected to acquisitions

Adjustments of contingent considerations connected to acquisitions entailed the recognition of *Financial income* in First Half 2020 for € 161 thousand (€ 119 thousand in *Financial charges* in the same period of the previous year).

The method for calculating the adjusted key economic indicators is as follows:

Calculation of adjusted economic results (€ '000s)	EBITDA		Operating profit		Net profit	
	1st Half 2020	1st Half 2019	1st Half 2020	1st Half 2019	1st Half 2020	1st Half 2019
<b>Reported economic results</b>	<b>34,412</b>	<b>32,369</b>	<b>21,653</b>	<b>21,350</b>	<b>15,991</b>	<b>14,016</b>
Stock Option provisions	39	3,293	39	3,293	39	3,293
<b>EBITDA before Stock Options</b>	<b>34,451</b>	<b>35,663</b>				
Non-recurring revenues	-74		-74		-74	
Non-recurring service costs	526	755	526	755	526	755
Non-recurring personnel costs		239		239		239
Amortisation of Other intangible assets from Business Combinations			2,949	2,957	2,949	2,957
Non-recurring financial income					-710	-148
Adjustment of contingent consideration					-161	119
Tax effect on adjustments					-775	-1,879
Non-recurring taxes					-1,090	-234
<b>Adjusted economic results</b>	<b>34,903</b>	<b>36,657</b>	<b>25,092</b>	<b>28,595</b>	<b>16,695</b>	<b>19,120</b>

## Results by business segment

The results of the business segments are measured through analysis of the 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 and depreciation policies.

Abbreviated Income Statement by business segment (€ '000s)	1st Half 2020	EBITDA % 1st Half 2020	1st Half 2019	EBITDA % 1st Half 2019	Change	Change %		
						Total	Organic	Total
<b>Revenues</b>								
Digital Trust	55,096		51,745		3,351	6.5%	6.5%	0.0%
Credit Information & Management	35,037		37,912		-2,875	-7.6%	-7.6%	0.0%
Innovation & Marketing Services	33,685		36,935		-3,250	-8.8%	-10.5%	1.7%
Other Segments (Parent Company)	0		0		0	n.a.	n.a.	n.a.
<b>Total Revenues</b>	<b>123,817</b>		<b>126,592</b>		<b>-2,774</b>	<b>-2.2%</b>	<b>-2.7%</b>	<b>0.5%</b>
<b>EBITDA</b>								
Digital Trust	13,998	25.4%	13,307	25.7%	691	5.2%	5.2%	0.0%
Credit Information & Management	10,155	29.0%	9,291	24.5%	865	9.3%	9.3%	0.0%
Innovation & Marketing Services	14,726	43.7%	17,378	47.1%	-2,652	-15.3%	-17.5%	2.2%
Other Segments (Parent Company)	-4,467	n.a.	-7,607	n.a.	3,140	41.3%	41.3%	0.0%
<b>Total EBITDA</b>	<b>34,412</b>	<b>27.8%</b>	<b>32,369</b>	<b>25.6%</b>	<b>2,043</b>	<b>6.3%</b>	<b>5.1%</b>	<b>1.2%</b>

The following table shows the adjusted economic results by business segments:

Abbreviated Adjusted Income Statement by business segment (€ '000s)	1st Half 2020	EBITDA % 1st Half 2020	1st Half 2019	EBITDA % 1st Half 2019	Change	Change %		
						Total	Organic	Perimetro
<b>Revenues</b>								
Digital Trust	55,022		51,745		3,277	6.3%	6.3%	0.0%
Credit Information & Management	35,037		37,912		-2,875	-7.6%	-7.6%	0.0%
Innovation & Marketing Services	33,685		36,935		-3,250	-8.8%	-10.5%	1.7%
Other Segments (Parent Company)	0		0		0	n.a.	n.a.	n.a.
<b>Adjusted Total Revenues</b>	<b>123,743</b>		<b>126,592</b>		<b>-2,848</b>	<b>-2.2%</b>	<b>-2.7%</b>	<b>0.5%</b>
<b>EBITDA</b>								
Digital Trust	13,962	25.4%	13,358	25.8%	604	4.5%	4.5%	0.0%
Credit Information & Management	10,155	29.0%	9,529	25.1%	626	6.6%	6.6%	0.0%
Innovation & Marketing Services	14,952	44.4%	17,378	47.1%	-2,426	-14.0%	-16.2%	2.2%
Other Segments (Parent Company)	-4,167	n.a.	-3,609	n.a.	-558	-15.5%	-15.5%	-0.0%
<b>Adjusted Total EBITDA</b>	<b>34,903</b>	<b>28.2%</b>	<b>36,657</b>	<b>29.0%</b>	<b>-1,754</b>	<b>-4.8%</b>	<b>-5.8%</b>	<b>1.0%</b>

### Digital Trust

In the First Half of the year, Revenues from the *Digital Trust* segment amounted to € 55,022 thousand. The increase compared to the First Half of 2019 is 6.3%, an absolute value of € 3,277 thousand. First Half 2020 witnessed an increase in demand from the market for digital services and dematerialization, such as certified e-mail (Legalmail), digital signature and SPID (the Italian public digital identity system). The satisfaction of this demand generated an increase in Off the Shelf (Telematic Trust Solutions) revenues sold mainly through the Group's websites and digital platforms. There was also a more significant increase in revenues related to the Enterprise Solutions segment, despite the reduction in the activities of its corporate customers. The Group has



enabled its customers to increase their digital onboarding capacity, as well as to guarantee their organizational structures remote working continuity with high standards of safety and functionality.

The segment's EBITDA amounted to € 13,962 thousand. The increase compared to First Half 2019 is 4.5%, in absolute value € 604 thousand. The EBITDA margin equaled 25.4% and shows a slight decrease compared to First Half 2019 (25.8%).

### ***Credit Information & Management***

In the *Credit Information & Management* segment, Revenues amounted to € 35,037 thousand. Compared to First Half 2019, there was a decrease of 7.6%, equal to € 2,875 thousand in absolute value. These results were affected by lower operations in First Half 2020 by customers in both the Finance and Corporate markets, which led to a temporary reduction in the demand for business information and credit recovery services provided by the Group. With regard to the banking market, following the various Prime Ministerial Decrees issued, there was a significant increase in the demand for corporate loans through access to new financial instruments such as the Guarantee Fund for Companies. A contraction linked to Phase 1 of the health emergency was registered in the demand for real estate information and real estate appraisal services, mainly due to the difficulty of movement in the Italian territory.

On the contrary, EBITDA increased 6.6% compared to the same period of the previous year, reaching € 10,155 thousand. The EBITDA margin is equal to 29.0%, with a significant increase compared to First Half 2019 (25.1%). This increase was substantially determined by the aforementioned different mix of revenues characterized by different operating margins.

### ***Innovation & Marketing Services***

Revenues of the *Innovation & Marketing Services* segment amounted to € 33,685 thousand. Compared to First Half 2019, there was a decrease of 8.8%, in absolute value € 3,250 thousand. The aforementioned change is composed of the increase in the scope of consolidation (+ 1.7%), as a result of the consolidation from 1 January 2020 of PrivacyLab S.r.l. and an organic reduction (-10.5%).

The restrictive measures put in place by the Italian Government in First Half 2020 led to difficulty in the provision of consultancy services to which the sector's operating structures reacted quickly by developing innovative services and products in response to customer needs.

The segment's EBITDA equaled € 14,952 thousand. The decrease compared to First Half 2019 EBITDA was 14.0%. The growth due to the change in the perimeter was 2.2%, while the organic contraction amounted to 16.2%. The EBITDA margin equaled 44.4%, compared to 47.1% in the same period of the previous year.

## SUMMARY OF RESULTS FOR THE SECOND QUARTER OF 2020

Condensed Consolidated Income Statement (€ '000s)	2nd Quarter 2020	%	2nd Quarter 2019	%	Change	% Change
Revenues	68,906	100.0%	66,857	100.0%	2,049	3.1%
EBITDA before Stock Options	23,535	34.2%	20,595	30.8%	2,940	14.3%
EBITDA	23,496	34.1%	17,919	26.8%	5,577	31.1%
Operating Profit	16,972	24.6%	12,182	18.2%	4,790	39.3%
Net Profit	13,073	19.0%	8,161	12.2%	4,912	60.2%

Revenues rose by € 2,049 thousand or 3.1% compared to Second Quarter 2019, EBITDA by € 5,577 thousand or 31.1%, operating profit by € 4,790 thousand or 39.3%, and net profit by € 4,912 thousand or 60.2%.

The Second Quarter results show the Tinexta Group's recovery, which in the first three months had been marginally affected by the ongoing pandemic. All the indicators were positive and confirm the successful re-opening of Group business activities. In particular, the *Digital Trust*, *Credit Information & Management* and *Innovation & Marketing Services* segments demonstrated their reactive capacity with good results in terms of revenues and profit margins.

Breakdown of Income Statement items for Second Quarter 2020 compared to Second Quarter 2019:

Consolidated Income Statement (€ '000s)	2nd Quarter 2020	%	2nd Quarter 2019	%	Change	% Change
<b>Revenues</b>	<b>68,906</b>	<b>100.0%</b>	<b>66,857</b>	<b>100.0%</b>	<b>2,049</b>	<b>3.1%</b>
<b>Total operating costs*</b>	<b>45,371</b>	<b>65.8%</b>	<b>46,262</b>	<b>69.2%</b>	<b>-891</b>	<b>-1.9%</b>
Costs of raw materials	2,639	3.8%	1,721	2.6%	919	53.4%
Service costs	20,350	29.5%	21,125	31.6%	-775	-3.7%
Personnel costs*	19,966	29.0%	20,651	30.9%	-685	-3.3%
Contract costs	1,945	2.8%	2,045	3.1%	-100	-4.9%
Other operating costs	471	0.7%	720	1.1%	-249	-34.6%
<b>EBITDA before Stock Options</b>	<b>23,535</b>	<b>34.2%</b>	<b>20,595</b>	<b>30.8%</b>	<b>2,940</b>	<b>14.3%</b>
Stock Option costs	39	0.1%	2,676	4.0%	-2,637	-98.6%
<b>EBITDA</b>	<b>23,496</b>	<b>34.1%</b>	<b>17,919</b>	<b>26.8%</b>	<b>5,577</b>	<b>31.1%</b>
Depreciation, amortisation, provisions and impairment	6,524	9.5%	5,737	8.6%	787	13.7%
<b>Operating profit</b>	<b>16,972</b>	<b>24.6%</b>	<b>12,182</b>	<b>18.2%</b>	<b>4,790</b>	<b>39.3%</b>
Financial income	747	1.1%	50	0.1%	697	1395.6%
Financial charges	684	1.0%	835	1.2%	-152	-18.2%
<b>Net financial charges</b>	<b>-64</b>	<b>-0.1%</b>	<b>785</b>	<b>1.2%</b>	<b>-849</b>	<b>-108.1%</b>
Profit of equity-accounted investments	77	0.1%	-14	0.0%	91	-642.2%
<b>Profit before tax</b>	<b>17,113</b>	<b>24.8%</b>	<b>11,382</b>	<b>17.0%</b>	<b>5,731</b>	<b>50.3%</b>
Income taxes	4,040	5.9%	3,221	4.8%	819	25.4%
<b>Net profit</b>	<b>13,073</b>	<b>19.0%</b>	<b>8,161</b>	<b>12.2%</b>	<b>4,912</b>	<b>60.2%</b>

\* *Personnel costs* are recognised net of the Stock Option costs, reported below, in order to better understand the EBITDA construction before the stock options.

## Adjusted Group Results

*Adjusted economic results* are calculated gross of non-recurring components, the cost relating to Stock Option plans, the amortisation of Other intangible assets that emerged at the time of allocation of the price paid in business combinations, and the adjustment of liabilities for contingent considerations related to acquisitions, net of related tax effects. These indicators reflect the Group's economic performance, net of non-recurring factors that are not directly attributable to the activities and operations of its core business, thus allowing a more homogeneous analysis of the Group's performance in the periods under comparison.

Adjusted Income Statement (€ '000s)	2nd Quarter 2020	%	2nd Quarter 2019	%	Change	% Change
Adjusted Revenues	68,832	100.0%	66,857	100.0%	1,975	3.0%
Adjusted EBITDA	23,904	34.7%	21,145	31.6%	2,759	13.0%
Adjusted Operating profit	18,854	27.4%	16,886	25.3%	1,968	11.7%
Adjusted Net profit	12,803	18.6%	11,626	17.4%	1,178	10.1%

The *Adjusted economic results* show an increase in revenues of 3.0% compared to the previous year, 13.0% in EBITDA, 11.7% in Operating profit and 10.1% in Net profit.

The method for calculating the *Adjusted economic results* is as follows:

Calculation of adjusted economic results (€ '000s)	EBITDA		Operating profit		Net profit	
	2nd Quarter 2020	2nd Quarter 2019	2nd Quarter 2020	2nd Quarter 2019	2nd Quarter 2020	2nd Quarter 2019
<b>Reported economic results</b>	<b>23,496</b>	<b>17,919</b>	<b>16,972</b>	<b>12,182</b>	<b>13,073</b>	<b>8,161</b>
Stock Option provisions	39	2,676	39	2,676	39	2,676
<b>EBITDA before Stock Options</b>	<b>23,535</b>	<b>20,595</b>				
Non-recurring revenues	-74		-74		-74	
Non-recurring service costs	443	434	443	434	443	434
Non-recurring personnel costs		115		115		115
Amortisation of Other intangible assets from Business Combinations			1,474	1,479	1,474	1,479
Non-recurring financial income					-710	
Adjustment of contingent consideration						104
Tax effect on adjustments					-352	-1,197
Non-recurring taxes					-1,090	-146
<b>Adjusted economic results</b>	<b>23,904</b>	<b>21,145</b>	<b>18,854</b>	<b>16,886</b>	<b>12,803</b>	<b>11,626</b>

## Results by business segment

The results of the business segments are measured through analysis of the 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 and depreciation policies.

Condensed Income Statement by business segment (€ '000s)	2nd Quarter 2020	% EBITDA 2nd Quarter 2020	2nd Quarter 2019	% EBITDA 2nd Quarter 2019	Change	% Change		
						Total	Organic	Scope of consolidation
<b>Revenues</b>								
Digital Trust	29,164		26,553		2,611	9.8%	9.8%	0.0%
Credit Information & Management	18,050		18,548		-498	-2.7%	-2.7%	0.0%
Innovation & Marketing Services	21,692		21,756		-64	-0.3%	-2.2%	1.9%
Other segments (Parent Company)	0		0		0	n.a.	n.a.	n.a.
<b>Total Revenues</b>	<b>68,906</b>		<b>66,857</b>		<b>2,049</b>	<b>3.1%</b>	<b>2.5%</b>	<b>0.6%</b>
<b>EBITDA</b>								
Digital Trust	8,079	27.7%	7,390	27.8%	690	9.3%	9.3%	0.0%
Credit Information & Management	6,572	36.4%	4,126	22.2%	2,446	59.3%	59.3%	0.0%
Innovation & Marketing Services	11,394	52.5%	11,451	52.6%	-57	-0.5%	-3.2%	2.7%
Other segments (Parent Company)	-2,549	n.a.	-5,047	n.a.	2,499	49.5%	49.5%	0.0%
<b>Total EBITDA</b>	<b>23,496</b>	<b>34.1%</b>	<b>17,919</b>	<b>26.8%</b>	<b>5,577</b>	<b>31.1%</b>	<b>29.4%</b>	<b>1.7%</b>

The following table shows the *Adjusted economic results* by business segment:

Adjusted condensed Income Statement by business segment (€ '000s)	2nd Quarter 2020	% EBITDA 2nd Quarter 2020	2nd Quarter 2019	% EBITDA 2nd Quarter 2019	Change	% Change		
						Total	Organic	Scope of consolidation
<b>Revenues</b>								
Digital Trust	29,090		26,553		2,537	9.6%	9.6%	0.0%
Credit Information & Management	18,050		18,548		-498	-2.7%	-2.7%	0.0%
Innovation & Marketing Services	21,692		21,756		-64	-0.3%	-2.2%	1.9%
Other segments (Parent Company)	0		0		0	n.a.	n.a.	n.a.
<b>Adjusted total revenues</b>	<b>68,832</b>		<b>66,857</b>		<b>1,975</b>	<b>3.0%</b>	<b>2.3%</b>	<b>0.6%</b>
<b>EBITDA</b>								
Digital Trust	8,043	27.6%	7,374	27.8%	669	9.1%	9.1%	0.0%
Credit Information & Management	6,572	36.4%	4,241	22.9%	2,331	55.0%	55.0%	0.0%
Innovation & Marketing Services	11,556	53.3%	11,451	52.6%	105	0.9%	-1.8%	2.7%
Other segments (Parent Company)	-2,267	n.a.	-1,922	n.a.	-345	-18.0%	-18.0%	0.0%
<b>Adjusted total EBITDA</b>	<b>23,904</b>	<b>34.7%</b>	<b>21,145</b>	<b>31.6%</b>	<b>2,759</b>	<b>13.0%</b>	<b>11.6%</b>	<b>1.4%</b>

## FINANCIAL POSITION OF THE GROUP

The Group's financial position at 30 June 2020 compared with 31 December 2019 and 30 June 2019:

### Comparison at 31 December 2019

€ '000s	30/06/2020	% of Net invested capital/Total sources	31/12/2019	% of Net invested capital/Total sources	Change	% Change
Intangible assets and goodwill	269,918	100.7%	269,935	96.9%	-17	0.0%
Property, plant and equipment	18,544	6.9%	21,215	7.6%	-2,671	-12.6%
Investment property	737	0.3%	750	0.3%	-13	-1.7%
Other net non-current assets and liabilities	-20,488	-7.6%	-19,405	-7.0%	-1,083	5.6%
<b>Net non-current assets</b>	<b>268,710</b>	<b>100.2%</b>	<b>272,494</b>	<b>97.8%</b>	<b>-3,784</b>	<b>-1.4%</b>
Inventories	1,197	0.4%	1,145	0.4%	53	4.6%
Contract cost assets	6,157	2.3%	6,508	2.3%	-352	-5.4%
Trade and other receivables* and Contract assets	92,979	34.7%	96,056	34.5%	-3,076	-3.2%
Current tax assets (liabilities)	-2,839	-1.1%	-2,156	-0.8%	-683	31.7%
Trade and other payables	-51,433	-19.2%	-54,953	-19.7%	3,520	-6.4%
Contract liabilities and deferred income	-45,517	-17.0%	-39,540	-14.2%	-5,978	15.1%
Current employee benefits	-571	-0.2%	-571	-0.2%	0	0.0%
Current provisions for risks and charges	-554	-0.2%	-420	-0.2%	-135	32.1%
<b>Net working capital</b>	<b>-582</b>	<b>-0.2%</b>	<b>6,069</b>	<b>2.2%</b>	<b>-6,651</b>	<b>-109.6%</b>
<b>Total loans - Net invested capital</b>	<b>268,128</b>	<b>100.0%</b>	<b>278,564</b>	<b>100.0%</b>	<b>-10,436</b>	<b>-3.7%</b>
Shareholders' Equity	153,531	57.3%	149,426	53.6%	4,105	2.7%
Net financial indebtedness	114,597	42.7%	129,138	46.4%	-14,540	-11.3%
<b>Total sources</b>	<b>268,128</b>	<b>100.0%</b>	<b>278,564</b>	<b>100.0%</b>	<b>-10,435</b>	<b>-3.7%</b>

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

### Breakdown of other net non-current assets:

Other net non-current assets and liabilities € '000s	30/06/2020	31/12/2019	Change	% Change
Equity-accounted investments	11,547	11,454	93	0.8%
Other investments	22	22	0	0.0%
Other financial assets, excluding derivative financial instruments	1,181	1,149	33	2.8%
Derivative financial instruments	0	15	-15	-100.0%
Deferred tax assets	5,311	5,635	-324	-5.8%
Other receivables	1,017	1,241	-223	-18.0%
<b>Non-current assets</b>	<b>19,078</b>	<b>19,515</b>	<b>-437</b>	<b>-2.2%</b>
Provisions	-3,244	-3,013	-231	7.7%
Deferred tax liabilities	-14,875	-15,848	974	-6.1%
Employee benefits	-12,221	-11,878	-343	2.9%
Contract liabilities and deferred income	-9,226	-8,180	-1,046	12.8%
<b>Non-current liabilities</b>	<b>-39,566</b>	<b>-38,920</b>	<b>-646</b>	<b>1.7%</b>
<b>Other net non-current assets and liabilities</b>	<b>-20,488</b>	<b>-19,405</b>	<b>-1,083</b>	<b>5.6%</b>

Net non-current assets at 30 June 2020 amounted to € 268,710 thousand, with a decrease of € 3,784 thousand (1.4%) compared to 31 December 2019 (€ 272,494 thousand). Fixed assets (*Intangible assets and goodwill, property, plant and equipment and investment property*) recorded a decrease of € 2,701 thousand. Affecting this change were: amortisation and depreciation € 10,521 thousand, investments in the period for € 6,208

thousand, goodwill provisionally recognised on the acquisition of PrivacyLab S.r.l. for € 2,021 thousand and changes in leases (mainly early terminations) for € -685 thousand.

*Net working capital* turned negative, falling from € 6,069 thousand at 31 December 2019 to € -582 thousand at 30 June 2020. The increase in *Contract liabilities and deferred income* had an impact of € 5,978 thousand on this evolution. The decrease of € 3,076 thousand in *Trade and other receivables and contract assets* was offset by the reduction in *Trade and other payables* for € 3,520 thousand.

Shareholders' Equity increased by € 4,105 thousand due to the combined effect of:

- the positive result from comprehensive income for the period of € 15,668 thousand;
- Treasury Shares acquired in the first half (775,014, equal to 1.642% of the share capital) for a total purchase value of € 9,022 thousand (details can be found in the paragraph **Treasury Share purchase programme**);
- dividends approved and distributed by Group companies to minority interests for € 2,195 thousand;
- the negative adjustment of put options on minority interests (€ 406 thousand) due to the revised estimate of payments envisaged based on result forecasts by the companies concerned and the effect of renegotiation of options with minority shareholders of Sixtoma S.p.A., as well as revaluation due to the passage of time.

The decrease in net non-current assets for € 3,784 thousand and in *Net working capital* for € 6,651 thousand and the increase in *Shareholders' Equity* for € 4,105 thousand caused a € 14,540 thousand reduction in *Net financial indebtedness*.

### Comparison at 30 June 2019

€ '000s	30/06/2020	% of Net invested capital/Total sources	30/06/2019	% of Net invested capital/Total sources	Change	% Change
Intangible assets and goodwill	269,918	100.7%	270,216	97.2%	-299	-0.1%
Property, plant and equipment	18,544	6.9%	22,267	8.0%	-3,724	-16.7%
Investment property	737	0.3%	585	0.2%	151	25.8%
Other net non-current assets and liabilities	-20,488	-7.6%	-17,830	-6.4%	-2,658	14.9%
<b>Net non-current assets</b>	<b>268,710</b>	<b>100.2%</b>	<b>275,239</b>	<b>99.0%</b>	<b>-6,529</b>	<b>-2.4%</b>
Inventories	1,197	0.4%	1,344	0.5%	-147	-10.9%
Contract cost assets	6,157	2.3%	6,663	2.4%	-507	-7.6%
Trade and other receivables* and Contract assets	92,979	34.7%	95,506	34.4%	-2,527	-2.6%
Current tax assets (liabilities)	-2,839	-1.1%	-3,051	-1.1%	212	-6.9%
Assets held for sale	0	0.0%	199	0.1%	-199	-100.0%
Trade and other payables	-51,433	-19.2%	-51,564	-18.6%	131	-0.3%
Contract liabilities and deferred income	-45,517	-17.0%	-41,564	-15.0%	-3,953	9.5%
Current employee benefits	-571	-0.2%	-4,564	-1.6%	3,993	-87.5%
Current provisions for risks and charges	-554	-0.2%	-288	-0.1%	-267	92.7%
<b>Net working capital</b>	<b>-582</b>	<b>-0.2%</b>	<b>2,681</b>	<b>1.0%</b>	<b>-3,263</b>	<b>-121.7%</b>
<b>Total loans - Net invested capital</b>	<b>268,128</b>	<b>100.0%</b>	<b>277,920</b>	<b>100.0%</b>	<b>-9,792</b>	<b>-3.5%</b>
Shareholders' Equity	153,531	57.3%	137,676	49.5%	15,855	11.5%
Net financial indebtedness	114,597	42.7%	140,245	50.5%	-25,647	-18.3%
<b>Total sources</b>	<b>268,128</b>	<b>100.0%</b>	<b>277,920</b>	<b>100.0%</b>	<b>-9,792</b>	<b>-3.5%</b>

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

A comparison of *Net working capital* with that at the same date in the previous year shows a decrease in *Trade and other receivables and contract assets* for € 2,527 thousand (2.6%), reflected in a decrease in revenues

compared to the same period of the previous year (2.2%) and a contemporaneous increase in *Contract liabilities and deferred income* for € 3,953 thousand. The reduction in *Non-current employee benefits* reflected the exercise of the Virtual Stock Options, most of which took place in Second Half 2019.

### Group net financial indebtedness

The following table provides a breakdown of the Group's net financial indebtedness at 30 June 2020 compared with the position at 31 December 2019 and at 30 June 2019:

€ '000s	30/06 2020	31/12 2019	Change	%	30/06 2019	Change	%
A Cash	36,151	33,586	2,564	7.6%	26,647	9,504	35.7%
B Cash equivalents	11	14	-3	-22.9%	14	-3	-22.4%
<b>D Liquid assets (A+B)</b>	<b>36,161</b>	<b>33,600</b>	<b>2,561</b>	<b>7.6%</b>	<b>26,660</b>	<b>9,501</b>	<b>35.6%</b>
E Current financial receivables	6,622	6,609	13	0.2%	8,246	-1,624	-19.7%
F Current bank debt	-284	-2,952	2,668	-90.4%	-1,174	890	-75.8%
G Current portion of non-current debt	-17,835	-23,752	5,917	-24.9%	-18,342	508	-2.8%
H Other current financial debt	-24,989	-35,342	10,353	-29.3%	-51,445	26,455	-51.4%
<b>I Current financial debt (F+G+H)</b>	<b>-43,108</b>	<b>-62,046</b>	<b>18,938</b>	<b>-30.5%</b>	<b>-70,961</b>	<b>27,853</b>	<b>-39.3%</b>
<b>J Net current financial position (indebtedness) (D+E+I)</b>	<b>-324</b>	<b>-21,837</b>	<b>21,513</b>	<b>-98.5%</b>	<b>-36,055</b>	<b>35,731</b>	<b>-99.1%</b>
K Non-current bank debt	-99,428	-90,552	-8,876	9.8%	-86,548	-12,879	14.9%
L Other non-current financial debt	-14,846	-16,749	1,903	-11.4%	-17,642	2,796	-15.8%
<b>M Non-current financial debt (K+L)</b>	<b>-114,273</b>	<b>-107,301</b>	<b>-6,972</b>	<b>6.5%</b>	<b>-104,190</b>	<b>-10,083</b>	<b>9.7%</b>
<b>N Net financial position (indebtedness) (J+M) (*)</b>	<b>-114,597</b>	<b>-129,138</b>	<b>14,540</b>	<b>-11.3%</b>	<b>-140,245</b>	<b>25,647</b>	<b>-18.3%</b>
O Other non-current financial assets	1,181	1,163	18	1.5%	1,171	10	0.8%
<b>P Total net financial position (indebtedness) (N+O)</b>	<b>-113,416</b>	<b>-127,974</b>	<b>14,558</b>	<b>-11.4%</b>	<b>-139,073</b>	<b>25,657</b>	<b>-18.4%</b>

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

*Net financial indebtedness* amounted to € 114,597 thousand, marking a decrease of € 14,540 thousand compared to 31 December 2019. In the First Half, the Parent Company purchased 775,014 Treasury Shares for a total value of € 9,022 thousand. Net of this acquisition, therefore, the Net financial indebtedness at 30 June 2020 would have been € 105,575 thousand, down by € 23,562 thousand on the figure at 31 December 2019.

The *Total net financial indebtedness* at 30 June 2020 includes: € 16,937 thousand in put option liabilities linked to the purchase of minority interests (€ 17,950 thousand at 31 December 2019), liabilities for contingent considerations linked to the acquisitions for € 345 thousand (€ 7,741 thousand at 31 December 2019) and liabilities for price deferrals granted by sellers for € 5,592 thousand (€ 8,218 thousand at 31 December 2019).

The main factors impacting the change in Net financial indebtedness compared to 31 December 2019 are the following:

Breakdown of changes in Net financial indebtedness	€ '000s
<b>Net financial indebtedness at 31/12/2019</b>	<b>129,138</b>
Free cash flow	-28,919
Dividends approved and distributed	2,195
Net financial (income) charges	419
Adjustment for derivatives in other comprehensive income	392
Acquisition of PrivacyLab S.r.l.	1,821
Purchase of Treasury Shares	9,022
Adjustment for put options	406
Adjustment for leases	70
Other residual	52
<b>Net financial indebtedness at 30/06/2020</b>	<b>114,597</b>

- *Free cash flow* generated during the period amounted to € 28,919 thousand, of which € 34,371 thousand in net cash and cash equivalents generated by operations, excluding € 5,452 thousand absorbed by investments in property, plant and equipment and intangible assets. Free cash flow increased by 21.8% compared to First Half 2019 (€ 23,751 thousand).
- *Dividends approved and distributed* by Group companies to minority interests amounted to € 2,195 thousand. The Tinexta S.p.A. Shareholders' Meeting approved the Board of Directors' proposal not to distribute dividends and to reinvest the 2019 profit in Group operations.
- The initial consolidation of PrivacyLab as of 1 January 2020 resulted in an increase in Net financial indebtedness of € 1,821 thousand.
- In the First Half, the Parent Company Tinexta S.p.A. purchased 775,014 Treasury Shares (equal to 1.642% of the share capital) for a total purchase value of € 9,022 thousand (details can be found in the paragraph **Treasury Share purchase programme**).
- *Adjustment for put options* for € 406 thousand due to the revised estimate of forecast payments based on results forecast by the companies concerned (Warrant Hub and PrivacyLab S.r.l.) and to the renegotiation of options with the minority shareholders of Sixtema S.p.A.
- The *Adjustment for leases* led to an overall increase in Net financial indebtedness of € 70 thousand. New leases resulted in the recognition of financial liabilities of € 755 thousand, the adjustments resulted in the reversal of financial liabilities of € 685 thousand, mainly as a result of early terminations.



## KEY EVENTS SUBSEQUENT TO THE END OF THE FIRST HALF

The Treasury Share purchases continued beyond 30 June. At the date of the Board of Directors Meeting (which approved these results, 4 August), the Parent Company held 857,014 Treasury Shares, equal to 1.815% of Share Capital, for a total purchase value of € 10,001 thousand.

On **31 July 2020**, Tinexta S.p.A. signed a loan agreement with the Intesa Sanpaolo Group to refinance an outstanding loan with a nominal residual value of € 46.6 million, which foresees the disbursement of € 50 million at a lower interest rate and extending the maturity from 31 December 2025 to 30 June 2026. The agreement foresees an additional credit facility for € 30 million, usable in one or more tranches by 21 December 2020.

On **3 August 2020**, pursuant to the purchase contract signed on 30 November 2017, the option rights were exercised on the remaining 9.75% of Warrant Hub S.p.A.'s share capital by Tinexta S.p.A., which thereby achieves complete ownership of the company. The consideration was set at € 14,839 thousand. The transaction was financed by using € 12 thousand of the loan concluded with BNL - BNP Paribas Group on 20 December 2019 and from own funds for the remainder.

## BUSINESS OUTLOOK

In a macroeconomic and corporate context significantly characterised and impacted by the COVID-19 pandemic, the Group's positive performance showed the resilience of the business areas and management's capacity to react successfully, both by accelerating the time-to-market of the innovative product and service mix to meet the needs of customers in the current context, and by taking prompt action on costs and improving operating cash flow generation compared to First Half 2019.

On 23 June 2020, the Board of Directors approved the Revised Budget and the objectives for 2020, confirming the forecast of:

- Revenues of more than € 250 million;
- EBITDA at € 72 million, with a slight improvement in the EBITDA margin compared to 2019.

## TREASURY SHARE PURCHASE PROGRAMME

The Shareholders' Meeting of 28 April 2020 renewed the authorisation for the Company to purchase and sell Treasury Shares with no nominal value, pursuant to Art. 2357 et seq. of the Italian Civil Code and Art. 132 of the Consolidated Law on Finance, up to a maximum number which, taking into account the Ordinary Company Shares held at the time by the Company and its subsidiaries, does not exceed 10% (4,720,712 Ordinary Shares) of the Company's Share Capital, which was subject to cancellation of the resolution adopted by the Shareholders' Meeting on 7 November 2018 that was to have expired 7 May 2020.

The authorisation allows the Company to purchase and sell ordinary Tinexta shares, in compliance with current EU and Italian regulations and permitted market practices recognised by Consob, for the following purposes:

- to purchase Treasury Shares to service the "2020-2022 Stock Option Plan", as well as any other share-based incentive schemes;
- to purchase Treasury Shares to service, if necessary, any extraordinary equity or financing transactions that imply the allocation or disposal of Treasury Shares;
- to provide the Company with an instrument used by listed companies to seize investment opportunities for all purposes permitted under current regulations;

- to set up a “stockpile”, useful in any future extraordinary financial transactions.

The Shareholders' Meeting also resolved to authorise the Board of Directors, pursuant to Art. 2357-ter of the Italian Civil Code, to sell all or part, in one or more tranches, of the Ordinary Shares purchased under the terms of the aforementioned resolution. The purchase can be completed in one or more tranches within 18 months of the date of the Shareholders' Meeting resolution. The authorisation to sell ordinary Treasury Shares, however, has no time limits.

In implementation of the authorisation granted by the Shareholders' Meeting of 28 April 2020, the Board of Directors meeting of 15 May 2020 decided to launch the Treasury Share purchase programme, with the main aim of implementing the “2020-2022 Stock Option Plan” approved by the Ordinary Shareholders' Meeting of 28 April 2020, as well as other share-based incentive schemes, without prejudice to the Board's right in any event to use repurchased shares for the other purposes approved by that Shareholders' Meeting.

The Company's goal to implement the “2020-2022 Stock Option Plan” is therefore to purchase a maximum 1,700,000 Treasury Shares.

The Company granted a mandate to Banca IMI (today, Intesa Sanpaolo) as a fully independent intermediary in carrying out the aforementioned buyback in compliance with restrictions imposed by applicable regulations and with the limits in the resolutions indicated above.

At 30 June 2020, the Company held 775,014 Treasury Shares, equal to 1.642% of Share Capital, for a total purchase value of € 9,022 thousand.

The Treasury Share purchases continued beyond 30 June. At the date of the Board of Directors Meeting (which approved this report, 4 August 2020), the Parent Company held 857,014 Treasury Shares, equal to 1.815% of Share Capital, for a total purchase value of € 10,001 thousand.

## 2020-2022 STOCK OPTION PLAN

On 23 June 2020, after obtaining the opinion of the Remuneration Committee, the Board of Directors resolved to allocate options in execution of the long-term incentive scheme known as the “2020-2022 Stock Option Plan” (hereinafter also “Plan”), as approved by the Shareholders' Meeting on 28 April 2020. The Plan envisages the allocation of a maximum 1,700,000 options. In particular, among the executive directors, executives with strategic responsibilities and/or other employees and managerial roles in the Company and/or subsidiaries, the Board of Directors has identified 29 beneficiaries to whom a total of 1,670,000 options have been allocated. The options offer the right to purchase and, if appropriate, subscribe Company shares in the ratio of 1 share for every 1 option exercised. The Plan envisages only one option allocation cycle with a vesting period of 36 months from the date the options are allocated to beneficiaries. Exercise of the options is subordinated to achieving EBITDA in the financial statements at 31 December 2022 of  $\geq 80\%$  of the approved budget target. If EBITDA proves to be between  $\geq 80\%$  and  $\geq 100\%$ , the option vesting will be proportionate. The Vested Options can be exercised at the end of a 36-month Vesting Period starting from the Allocation Date. The exercise price is established as € 10.97367, based on the arithmetic mean of official prices recorded by the Company's shares on the MTA market in the half year prior to the option allocation date. Further details of the Plan can be found in the Information Document already disclosed to the public pursuant to Art. 114-bis, Italian Legislative Decree no. 58 of 24 February 1998 (the “Consolidated Law on Finance”) and Art. 84-bis, paragraph 1 of the Issuers' Regulation, in the Corporate Governance/Shareholders' Meeting/2020 section of the Company's web site ([www.tinexta.com/assemblea-azionisti-2020](http://www.tinexta.com/assemblea-azionisti-2020)), which will be updated in compliance with the provisions of Art. 84-bis, paragraph 5 of the Issuers' Regulation.

At the allocation date, 23 June 2020, the fair value of each option right was € 3.46.

## MAIN RISKS AND UNCERTAINTIES

The Group is exposed to some financial risks: interest rate risk, liquidity risk, credit risk and exchange rate risk. As regards the interest rate risk, the Group assesses on a regular basis its exposure to changes in interest rates and actively manages it by also using financial derivatives exclusively for hedging purposes. The credit risk related to trading receivables is mitigated through internal procedures that provide for a preliminary assessment of customer solvency, as well as through procedures for credit recovery and management. Liquidity risk is managed through careful management and monitoring of operating cash flows and recourse to a cash pooling system between the Group companies. As regards foreign exchange rate, 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. For additional information on the main risks and uncertainties to which the Group is exposed, see Note 9. *Management of financial risk* in the Notes to the Condensed Interim Consolidated Financial Statements.

## 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 is made to the section “Transactions with Related parties” in the Notes for further information on transactions with Related parties.

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2020

Statements and Notes

## Consolidated Financial Statements

### Consolidated Statement of Financial Position

€ '000s	Notes	30/06/2020	31/12/2019
<b>ASSETS</b>			
Property, plant and equipment	13	18,544	21,215
Intangible assets and goodwill	14	269,918	269,935
Investment property	15	737	750
Equity-accounted investments	16	11,547	11,454
Other investments	16	22	22
Other financial assets, excluding derivative financial instruments	17	1,181	1,149
- of which vs. Related Parties	44	0	8
Derivative financial instruments	25	0	15
Deferred tax assets	18	5,311	5,635
Trade and other receivables	21	1,088	1,333
Contract cost assets	19	5,265	5,230
<b>NON-CURRENT ASSETS</b>		<b>313,612</b>	<b>316,737</b>
Inventories	22	1,197	1,145
Other financial assets, excluding derivative financial instruments	23	6,617	6,593
- of which vs. Related Parties	44	12	0
Derivative financial instruments	25	6	16
Current tax assets	24	251	756
- of which vs. Related Parties	44	6	322
Trade and other receivables	21	88,330	89,775
- of which vs. Related Parties	44	146	267
Contract assets	20	4,579	6,187
Contract cost assets	19	891	1,278
Cash and cash equivalents	26	36,161	33,600
<b>CURRENT ASSETS</b>		<b>138,032</b>	<b>139,351</b>
<b>TOTAL ASSETS</b>		<b>451,644</b>	<b>456,087</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		47,207	47,207
Treasury shares		-9,022	0
Reserves		111,780	98,360
Shareholders' Equity attributable to Group		149,965	145,567
Minority interests		3,566	3,859
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>27</b>	<b>153,531</b>	<b>149,426</b>
<b>LIABILITIES</b>			
Provisions	28	3,244	3,013
Employee benefits	29	12,221	11,878
Financial liabilities, excluding derivative financial instruments	30	113,601	107,039
- of which vs. Related Parties	44	1,167	1,458
Derivative financial instruments	25	672	262
Deferred tax liabilities	18	14,875	15,848
Contract liabilities	32	9,226	8,180
- of which vs. Related Parties	44	34	81
<b>NON-CURRENT LIABILITIES</b>		<b>153,839</b>	<b>146,221</b>
Provisions	28	554	420
Employee benefits	29	571	571
Financial liabilities, excluding derivative financial instruments	30	43,091	62,001
- of which vs. Related Parties	44	584	578
Derivative financial instruments	25	17	45
Trade and other payables	31	51,433	54,953
- of which vs. Related Parties	44	293	205
Contract liabilities	32	44,247	37,722
- of which vs. Related Parties	44	160	123
Deferred income	33	1,270	1,818
Current tax liabilities	24	3,089	2,911
<b>CURRENT LIABILITIES</b>		<b>144,274</b>	<b>160,441</b>
<b>TOTAL LIABILITIES</b>		<b>298,113</b>	<b>306,661</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>451,644</b>	<b>456,087</b>

## Consolidated Statement of Profit or Loss and Other comprehensive income

€ '000s	Notes	six-month period closed at 30 June	
		2020	2019
<b>Revenues</b>	<b>34</b>	<b>123,817</b>	<b>126,592</b>
- of which vs. Related Parties	44	78	20
- of which non-recurring	34	74	0
Costs of raw materials	35	4,515	3,415
Service costs	36	39,905	40,731
- of which vs. Related Parties	44	802	502
- of which non-recurring	36	526	755
Personnel costs	37	40,239	44,593
- of which non-recurring	37	0	239
Contract costs	38	3,831	4,191
Other operating costs	39	915	1,293
- of which vs. Related Parties	44	1	0
Amortisation and depreciation	40	10,521	9,730
Provisions	40	360	132
Impairment	40	1,878	1,158
<b>Total Costs</b>		<b>102,164</b>	<b>105,242</b>
<b>OPERATING PROFIT</b>		<b>21,653</b>	<b>21,350</b>
Financial income	41	951	226
- of which non-recurring	41	710	148
Financial charges	41	1,370	1,494
- of which vs. Related Parties	44	22	284
<b>Net financial income (charges)</b>		<b>-419</b>	<b>-1,269</b>
Share of profit of equity-accounted investments, net of tax	16	91	15
<b>PROFIT BEFORE TAX</b>		<b>21,325</b>	<b>20,096</b>
Income taxes	42	5,334	6,079
- of which non-recurring		-1,018	-483
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>		<b>15,991</b>	<b>14,016</b>
Profit (loss) from discontinued operations		0	0
<b>NET PROFIT</b>		<b>15,991</b>	<b>14,016</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		-21	7
Profits (losses) from measurement at fair value of derivative financial instruments	25	-392	-2
Equity-accounted investments - share of Other comprehensive income	16	-5	3
Tax effect		94	1
<b>Total components that are or may be later reclassified to profit (loss)</b>		<b>-324</b>	<b>8</b>
<b>Total other components of comprehensive income, net of tax</b>		<b>-324</b>	<b>8</b>
<b>Total comprehensive income for the period</b>		<b>15,668</b>	<b>14,025</b>
<b>Net Profit attributable to:</b>			
Group		15,785	13,758
Minority interests		206	258
<b>Total comprehensive income for the period attributable to:</b>			
Group		15,477	13,763
Minority interests		191	261
<b>Earnings per Share</b>			
Basic earnings per Share (Euro)	43	0.33	0.29
Diluted earnings per Share (Euro)	43	0.33	0.29

## Consolidated Statement of Changes in Equity

<i>six-month period closed at 30 June</i>											
€ '000s	Share capital	Treasury Shares	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Stock Option reserve	Other reserves	Shareholders' Equity attributable to the Group	Minority interests	Consolidated Shareholders' Equity
<b>Balance at 1 January 2020</b>	47,207	0	3,112	55,439	-241	-846	0	40,896	145,567	3,859	149,426
<i>Comprehensive income for the period</i>											
Profit for the period								15,785	15,785	206	15,991
Other components of the comprehensive Income Statement					-298			-11	-309	-15	-324
<i>Total comprehensive income for the period</i>	0	0	0	0	-298	0	0	15,774	15,477	191	15,668
<i>Transactions with Shareholders</i>											
Dividends								-1,682	-1,682	-513	-2,195
Allocation to legal reserve			1,202					-1,202	0		0
Purchase of Treasury Shares		-9,022						0	-9,022		-9,022
Adjustment of put option on Minority interests								-406	-406	0	-406
Acquisitions								0	0	28	28
Stock Option							39	0	39		39
Other changes								-7	-7	0	-7
<i>Total transactions with Shareholders</i>	0	-9,022	1,202	0	0	0	39	-3,297	-11,078	-485	-11,563
<b>Balance at 30 June 2020</b>	47,207	-9,022	4,315	55,439	-539	-846	39	53,373	149,965	3,566	153,531

<i>six-month period closed at 30 June 2019</i>											
€ '000s	Share capital	Treasury Shares	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Stock Option reserve	Other reserves	Shareholders' Equity attributable to the Group	Minority interests	Minority interests
<b>Balance at 1 January 2019</b>	46,890	0	2,031	54,678	-181	-361	0	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	0	-1	0	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 Shareholder</i>	0		1,081	0	0	0	0	-22,310	-21,229	-496	-21,725
<b>Balance at 30 June 2019</b>	46,890	0	3,112	54,678	-182	-361	0	30,016	134,154	3,522	137,676

## Consolidated Statement of Cash Flows

€ '000s	<i>six-month period closed at 30 June</i>		
	Notes	2020	2019
<i>Cash flows from operations</i>			
<b>Net Profit</b>		<b>15,991</b>	<b>14,016</b>
Adjustments for:			
- Depreciation of property, plant and equipment	40	3,372	3,329
- Amortisation of intangible assets	40	7,136	6,392
- Depreciation of investment property	40	13	9
- Impairment (Revaluations)	40	1,878	1,158
- Provisions	40	360	132
- Stock option provisions	37	39	0
- Contract costs	38	3,831	4,191
- Net financial charges (income)	41	419	1,269
- <i>of which vs. Related Parties</i>	44	22	284
- Share of profit of equity-accounted investments	16	-91	-15
- Income taxes	42	5,334	6,079
Changes in:			
- Inventories	22	-53	0
- Contract cost assets	19	-3,480	-4,297
- Trade and other receivables and Contract assets	21,22	1,843	-4,486
- <i>of which vs. Related Parties</i>	44	121	-110
- Trade and other payables	31	-3,778	-1,754
- <i>of which vs. Related Parties</i>	44	88	-106
- Provisions and employee benefits	28,29	345	2,748
- Contract liabilities and deferred income, including public contributions	32,33	6,435	830
- <i>of which vs. Related Parties</i>	44	-9	0
<b>Cash and cash equivalents generated by operations</b>		<b>39,594</b>	<b>29,600</b>
Income taxes collected/(paid)		-5,223	-134
<b>Net cash and cash equivalents generated by operations</b>		<b>34,371</b>	<b>29,466</b>
<i>Cash flows from investments</i>			
Interest collected		22	8
Collections from sale or repayment of financial assets		210	185
Investments in shareholdings consolidated using the equity method		0	-27
Investments in property, plant and equipment	13	-563	-1,212
Investments in other financial assets		-233	0
Investments in intangible assets	14	-4,889	-4,504
Increases in the scope of consolidation, net of liquidity acquired	12	-452	0
<b>Net cash and cash equivalents generated/(absorbed) by investing activities</b>		<b>-5,905</b>	<b>-5,550</b>
<i>Cash flows from financing</i>			
Purchase of Minority interests in subsidiaries	30	-2,400	-22,895
Repayment of loans extended by Controlling Shareholder		0	-25,000
- <i>of which vs. Related Parties</i>		0	-25,000
Interest paid		-1,082	-1,080
- <i>of which vs. Related Parties</i>		-22	-270
MLT bank loans taken out	30	10,035	51,886
Repayment of MLT bank loans	30	-6,718	-5,607
Repayment of price deferment liabilities on acquisitions of equity investments	30	-2,548	-2,383
Repayment of contingent consideration liabilities	30	-7,581	-1,347
Change in other current bank payables	30	-2,673	-6,345
Change in other financial payables	30	169	-1,691
Repayment of lease liabilities	30	-1,891	-1,542
- <i>of which vs. Related Parties</i>	44	-286	-291
Purchase of Treasury Shares	27	-9,022	0
Dividends paid		-2,195	-16,389
<b>Net cash and cash equivalents generated/(absorbed) by financing</b>		<b>-25,905</b>	<b>-32,392</b>
Net increase (decrease) in cash and cash equivalents		2,561	-8,476
Cash and cash equivalents at 1 January	26	33,600	35,136
<b>Cash and cash equivalents at 30 June</b>	<b>26</b>	<b>36,161</b>	<b>26,660</b>



## Notes to the Condensed Interim Consolidated Financial Statements at 30 June 2020

### IMPLICATIONS OF THE COVID-19 PANDEMIC ON THE CONDENSED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2020

In relation to the context of uncertainty caused by the COVID-19 pandemic, the Tinexta S.p.A. Shareholders' Meeting of 28 April 2020 approved the Board of Directors' proposal not to distribute dividends and to reinvest the 2019 profit in Group operations.

During the lockdown, the Group maintained its operations also through recourse to smart working and implemented incisive measures to reduce costs and manage the emergency, such as incentives for using vacation and leave and the use of social shock absorbers (so-called "FIS") in the business segments most affected by the restrictions.

For the re-opening, the Group adopted all measures necessary to combat the virus and to protect the health of its employees and collaborators: room and workplace sanitising, purchase of personal protective equipment, dissemination of hygiene and social distancing rules, extension of smart working.

In a still difficult operating context, the Tinexta Board of Directors meeting of 23 June 2020 examined the Group performance in the first 5 months and the outlook for the rest of the year, illustrated by the Chief Executive Officer. The revenues trend and sales growth made it possible to forecast a recovery of revenues in the next few months, also through a product mix particularly attuned to new digital management methods for work and operations.

The recovery is tangible in the final results for the First Half. As described in the paragraphs that follow, the Tinexta Group has recorded overall positive half-year results at 30 June 2020. Revenues were down slightly by 2.2%, though EBITDA increased by 6.3%, Operating profit by 1.4% and Net profit by 14.1%.

Goodwill is periodically tested to determine the existence of any impairment. Given its intensity and unpredictability, the COVID-19 pandemic qualifies as a potential external impairment indicator. Consequently, the Group decided at 30 June to also take into consideration the reduced surplus recoverable value over the book value recorded at 31 December 2019 when measuring the recoverable value of the Co.Mark (*Innovation & Marketing Services*) and Innolva (*Credit Information & Management*) CGUs. In calculating the recoverable value of the CGUs concerned, an analysis was conducted of the financial projections based on current knowledge of the reference context influenced by elements such as the market response to external stimuli (public funding) now pending finalisation, the effectiveness of communications tools to be used in the next few months, additional cost-saving measures not yet endorsed by decree. In short, the assumptions underlying the 2020-22 plan were reviewed as regards business dynamics and the strategic guidance scenarios for the companies, and the financial values were reviewed downstream of changes in the macroeconomic scenario brought about by the pandemic. For details, please refer to Note 14. *Intangible assets and goodwill*.

No uncertainties or significant risks related to COVID-19 emerged from the analyses conducted within the Tinexta Group sufficient to give rise to doubts regarding going concern.

#### 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 2020 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 2020 were approved and authorised for publication by the Board of Directors of Tinexta S.p.A. at its meeting on 4 August 2020.

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 of 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 annual financial statements and should be read together with the Consolidated Financial Statements for the year ended 31 December 2019 (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 according to 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 Peruvian Nuevo Sol - 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 2019, with the exception of the new standards applied from 1 January 2020 (indicated in Note 7: *New standards or amendments for 2020 and future requirements*).

#### 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.

List of companies consolidated on a line-by-line basis or with the equity method at 30 June 2020:

Company	Registered office	at 30 June 2020					
		Share Capital		% ownership	via	% contribution to the Group	Consolidation method
		Amount (€ '000s)	Currency				
Tinexta S.p.A. (Parent Company)	Rome	47,207	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
<u>Innolva S.p.A.</u>	Buja (UD)	3,000	Euro	100.00%	n.a.	100.00%	Line-by-line
Re Valuta S.p.A.	Milan	200	Euro	95.00%	n.a.	95.00%	Line-by-line
Co.Mark S.p.A.	Bergamo	150	Euro	100.00%	n.a.	100.00%	Line-by-line
Visura S.p.A.	Rome	1,000	Euro	100.00%	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
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	100.00%	Co.Mark S.p.A.	100.00%	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
PrivacyLab S.r.l.	Reggio Emilia	10	Euro	60.00%	Warrant Hub S.p.A.	90.00%	Line-by-line
Camerfirma Perú S.A.C	Peru	84	PEN	99.99%	AC Camerfirma S.A.	50.99%	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	COP	25.00%	1% InfoCert S.p.A. 24% AC Camerfirma S.A.	13.24%	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
Digital Hub S.r.l.	Reggio Emilia	10	Euro	30.00%	PrivacyLab S.r.l.	27.00%	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 2020 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 2019, the consolidated economic data of First Half 2020 include the balances for First Half 2020 of Privacy Lab (*Innovation & Marketing Services* segment) consolidated as of 1 January 2020.

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.

Representation of the Revenues and EBITDA for the individual operating units:

<i>(€ '000s)</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>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	Segment revenues	55,433	51,949	35,273	38,068	33,700	36,961	1,060	556	125,466
Intra-segment revenues	337	204	236	156	15	27	1,060	556	1,648	943
<b>Revenues from third Parties</b>	<b>55,096</b>	<b>51,745</b>	<b>35,037</b>	<b>37,912</b>	<b>33,685</b>	<b>36,935</b>	<b>0</b>	<b>0</b>	<b>123,817</b>	<b>126,592</b>
<b>EBITDA</b>	<b>13,998</b>	<b>13,307</b>	<b>10,155</b>	<b>9,291</b>	<b>14,726</b>	<b>17,378</b>	<b>-4,467</b>	<b>-7,607</b>	<b>34,412</b>	<b>32,369</b>
Amortisation/depreciation, provisions and impairment									12,759	11,019
<b>Operating Profit</b>									<b>21,653</b>	<b>21,350</b>
Net financial income (charges)									-419	-1,269
Profit of equity-accounted investments									91	15
<b>Profit before tax</b>									<b>21,325</b>	<b>20,096</b>
Income taxes									5,334	6,079
<b>Net Profit</b>									<b>15,991</b>	<b>14,016</b>

Breakdown of the assets and liabilities by business units:

	<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>	
	<i>30/06/2020</i>	<i>31/12/2019</i>	<i>30/06/2020</i>	<i>31/12/2019</i>	<i>30/06/2020</i>	<i>31/12/2019</i>	<i>30/06/2020</i>	<i>31/12/2019</i>	<i>30/06/2020</i>	<i>31/12/2019</i>
<i>(€ '000s)</i>										
Assets	138,900	144,544	157,089	158,350	149,975	161,819	5,679	-8,626	<b>451,644</b>	<b>456,087</b>
Liabilities	104,958	103,429	70,000	70,832	106,043	110,818	17,111	21,582	<b>298,113</b>	<b>306,661</b>



## 7. NEW STANDARDS OR AMENDMENTS FOR 2020 AND FUTURE REQUIREMENTS

a) From 1 January 2020, the Group adopted the following new accounting standards:

- Amendments to the *Conceptual Framework for Financial Reporting*, endorsed by the EU on 6 December 2019 with Regulation no. 2075. The main amendments compared to the 2010 version include a new chapter on measurements, better definitions and guidance, with particular regard to the definition of liability, and clarifications of key concepts, such as stewardship, prudence and measurement uncertainty. The amendments apply to Financial Statements for years beginning 1 January 2020 or later.
- *Amendments to IAS 1 and IAS 8: Definition of Material*, endorsed by the EU on 10 December 2019 with Regulation no. 2014. The document has 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 and endorsed by the EU on 6 December 2019. The amendments apply to Financial Statements for years beginning 1 January 2020 or later.
- *Amendments to IFRS 9, IAS 39 and IFRS 7: Interest rate benchmark reform*, endorsed by the EU on 16 December 2020 with Regulation no. 34. The objective of the document is to allow entities that prepare financial statements not to suspend hedging transactions until the interest rate benchmark reform – still underway worldwide – is completed. This reform, in particular, has created uncertainties regarding the timeframe and the amount of future cash flows related to some financial instruments, with the consequent risk of having to interrupt the hedging relationships designated in accordance with IAS 39 or IFRS 9. According to IASB, an interruption of hedging relationships due to these uncertainties does not provide useful information to the users of the financial statements; therefore, the document in question has introduced some amendments specific to IAS 39, IFRS 9 and IFRS 7, namely some temporary relaxation of the application of specific provisions in the area of hedge accounting recognition, provided for in IFRS 9 and IAS 39, to be mandatorily applied to all hedging operations that are directly impacted by the reform concerning the reference indexes for the determination of interest rates. The amendments apply to Financial Statements for years beginning 1 January 2020 or later.
- *Amendment to IFRS 3 Business Combinations*, endorsed by the EU on 21 December 2020 with Regulation no. 551. This document introduced a much more restrictive definition of business than that contained in the previous 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 on or after 1 January 2020.

The adoption of the new standards applicable from 1 January 2020 had no significant impact.

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 had 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 realised gains and to guarantee greater comparability of results, introducing a single standard for revenue recognition which reflects the services provided. Furthermore, on 25 June 2020, the IASB published Amendments to IFRS 17 and the deferral of the

entry into effect of the new accounting standard to 1 January 2023. At the date of these Condensed Interim Consolidated Financial Statements the endorsement process was still under way.

- On 23 January 2020, the IASB published some amendments to IFRS 1. The document *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current* requires that a liability should be classified as current or non-current according to the rights existing as at the financial statements date. In addition, it sets out that the classification is not impacted by the entity's expectation of exercising its rights to defer settlement of the liability. It also clarifies that this provision refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments apply to Financial Statements relating to years beginning on 1 January 2022 or later. Early application is permitted. The endorsement process is still under way.
- On 14 May 2020, the IASB published the *Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets* as well as *Annual Improvements 2018-2020* with the aim of making specific amendments to these standards. The amendments apply to Financial Statements relating to years beginning on 1 January 2022 or later. The endorsement process is still under way.
- On 28 May 2020, the IASB published *Covid-19-Related Rent Concessions*, amending *IFRS 16 Leases* and including a practical expedient to simplify accounting by lessees of rent concessions obtained due to the COVID-19 pandemic. This expedient is optional and does not apply to lessors. The amendments to IFRS 16 enter into effect from financial statements for the year beginning on or after 1 June 2020, but early application is permitted in financial statements for earlier years (including interim reports) for which publication has not yet been authorised. The endorsement process, still under way, is due to be completed in the next few months.
- On 25 June 2020, the IASB published the document *Amendments to IFRS 4 Contracts – deferral of IFRS 9* with the aim of clarifying certain application aspects of IFRS 9 pending the permanent application of IFRS 17. The amendments apply to financial statements relating to years beginning on 1 January 2021 or later. Endorsement by the EU is expected during 2020.

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

## 8. USE OF ESTIMATES

In drafting these Condensed Interim Consolidated Financial Statements, in application of the reference accounting standards, the Directors had to formulate assessments, estimates and assumptions which influence the amounts of the assets, liabilities, and costs and revenues recognised in the financial statements, as well as the disclosure provided. Therefore, the final results of the items 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>1</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

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<sup>1</sup>Or more frequently, if there are indications that it may have suffered a decrease in value.



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.

- *Allocation of the price paid for the acquisition of control over an entity (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 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.
- *Measurement of lease liabilities:* The measurement of lease liabilities is affected by the duration of the lease, understood as the non-cancellable leasing period to which these two periods must be added: a) periods covered by a leasing extension option if the lessee has the reasonable certainty to exercise this option; and b) periods covered by the option of terminating the lease, if the lessee has the reasonable certainty not to exercise the option. The assessment of the duration of the lease entails the use of estimates based on factors that may change over time, with a potentially significant impact on the assessments carried out by the Directors.
- *Valuation of the bad debts provision for expected impairment of trade receivables:* The Group uses an allocation matrix based on historical experience to estimate expected losses on receivables. 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. Estimates and assumptions are periodically reviewed, and the effects of each change are reflected in the income statement for that period.
- *Valuation of the Defined benefit plans:* Actuarial valuation requires the formulation of various assumptions that may differ from actual future developments. The results depend on the technical basis adopted such as, among others, the actualisation rate, the inflation rate, the wage increase rate and the expected turnover. All assumptions are reviewed on an annual basis.

## 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 business transactions or liquidity management 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. To be noted is an exposure to PEN (Peruvian Nuevo Sol) referring to the activities carried out by Camerfirma Perú S.A.C. in its territory. Therefore, considering the very limited exposure to foreign currencies, at the Group level, no exchange rate hedging has been set up.

### *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 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 also by making use of interest rate derivatives, specifically Interest Rate Swaps (IRS), Interest Rate Floors (Floor) and Interest Rate Caps (Cap) taken out only for hedging purposes. 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 6-month Euribor. Therefore, the interest rate risk 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.

Cash Flow Hedge strategy on bank loans at 30 June 2020:

Bank loans at 30 June 2020		Cash Flow Hedge Derivatives Notional values by type at 30 June 2020			
€ '000s	Nominal amount	IRS	Capped Swap	Collar	Total
Floating rate loans	119,745	58,003	24,167	19,073	<b>101,243</b>
Fixed rate loans	76				
	<b>119,821</b>	<b>58,003</b>	<b>24,167</b>	<b>19,073</b>	<b>101,243</b>

Hedging rate of bank loans is 85%.

### *Credit risk*

Financial credit risk results from the inability of a counterparty to fulfil its obligations. At 30 June 2020, the liquidity of the Group was invested in bank deposits held at leading banks.

Trade credit risk derives essentially from receivables from customers. To mitigate credit risk related to trade counterparties, the Group has implemented internal procedures requiring a preliminary assessment of the solvency of the customer through a scoring analysis, before accepting a contract. Another procedure was adopted for the recovery and management of trade receivables, which provides for written reminders to be

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sent in the case of late payments and gradually more targeted actions (letters, phone reminders, legal actions). The Group uses an allocation matrix to calculate the expected losses, based on historical data. 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 in Note 21. *Trade and Other Receivables* provides a breakdown of current trade receivables from customers at 30 June 2020, grouped by maturity, gross and net of the related bad debts provision.

### Liquidity risk

Liquidity risk consists of an inability to promptly raise, on market economic 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 liquidity is safely invested with adequate returns.

The management believes that 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 in Note 30. *Financial liabilities, excluding derivative financial instruments* summarizes the financial liabilities recognised in the Financial Statements at 30 June 2020 and classifies them according to contractual maturity.

## 10. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

A reconciliation between financial asset and liability classes as identified in the Statement of Financial Position of the Company and the types of financial assets and liabilities identified following IFRS 7 requirements:

€ '000s	Assets designated at fair value through profit or loss	Assets/Liabilities designated at fair value through profit or loss	Liabilities held for trading designated at fair value through profit or loss	Fair Value hedging instruments	Assets/Liabilities measured at amortised cost	Assets designated at fair value through OCI	Investments in instruments representing OCI capital	Total
<b>NON-CURRENT ASSETS</b>	0	438	0	0	1,831	0	0	2,269
Other financial assets, excluding derivative financial instruments	0	438	0	0	743	0	0	1,181
Derivative financial instruments	0	0	0	0	0	0	0	0
Trade and other receivables	0	0	0	0	1,088	0	0	1,088
<b>CURRENT ASSETS</b>	0	1,973	0	6	129,136	0	0	131,114
Other financial assets, excluding derivative financial instruments	0	1,973	0	0	4,644	0	0	6,617
Derivative financial instruments	0	0	0	6	0	0	0	6
Trade and other receivables	0	0	0	0	88,330	0	0	88,330
Cash and cash equivalents	0	0	0	0	36,161	0	0	36,161
<b>NON-CURRENT LIABILITIES</b>	0	2,098	0	672	111,504	0	0	114,273
Financial liabilities, excluding derivative financial instruments	0	2,098*	0	0	111,504	0	0	113,601
Derivative financial instruments	0	0	0	672	0	0	0	672
<b>CURRENT LIABILITIES</b>	0	15,184	0	17	79,340	0	0	94,541
Financial liabilities, excluding derivative financial instruments	0	15,184*	0	0	27,907	0	0	43,091
Trade and other payables	0	0	0	0	51,433	0	0	51,433
Derivative financial instruments	0	0	0	17	0	0	0	17

\* This item includes Liabilities for the purchase of minority interests and *Liabilities for contingent consideration linked to acquisitions* (more details are provided in Note 30). *Liabilities for the purchase of minority interests* are recognised at their fair value with changes recorded as a contra entry in Shareholders' Equity, *Liabilities for contingent consideration linked to acquisitions* are recognised at their fair value with changes recorded as contra entries in the Income Statement.

## 11. FAIR VALUE HIERARCHY

Fair value hierarchy for assets and liabilities of the Group:

€ '000s	Fair Value			Total
	Level 1	Level 2	Level 3	
<b>NON-CURRENT ASSETS</b>	<b>438</b>	<b>0</b>	<b>0</b>	<b>438</b>
<i>Other financial assets, excluding derivative financial instruments</i>	438			438
Capitalisation policy	438			438
<i>Derivative financial instruments</i>				0
<b>CURRENT ASSETS</b>	<b>1,973</b>	<b>6</b>	<b>0</b>	<b>1,978</b>
<i>Other financial assets, excluding derivative financial instruments</i>	1,973			1,973
Capitalisation policy	1,973			1,973
<i>Derivative financial instruments</i>		6		6
<b>NON-CURRENT LIABILITIES</b>	<b>0</b>	<b>672</b>	<b>2,098</b>	<b>2,769</b>
<i>Derivative financial instruments</i>		672		672
<i>Other financial liabilities, excluding derivative financial instruments</i>			2,098	2,098
Liabilities for put options			2,098	2,098
<b>CURRENT LIABILITIES</b>	<b>0</b>	<b>17</b>	<b>15,184</b>	<b>15,201</b>
<i>Other financial liabilities, excluding derivative financial instruments</i>			15,184	15,184
Liabilities for put options			14,839	14,839
Contingent consideration			345	345
<i>Derivative financial instruments</i>		17		17

## 12. BUSINESS COMBINATIONS

### BUSINESS COMBINATIONS FOR WHICH ACCOUNTING RECOGNITION HAS NOT BEEN COMPLETED

#### Acquisition of PrivacyLab S.r.l.

On 27 January 2020, through the subsidiary Warrant Hub S.p.A., the Tinexta Group acquired 60% of PrivacyLab S.r.l. (hereinafter also PrivacyLab), operating in the sale of licences, advisory services, training and tools for managing compliance with GDPR provisions.

The acquisition falls under the diversification process of the offer under the Industry 4.0 Plan, leveraging the advisory know-how on innovation, already present in the subsidiary Warrant Innovation Lab S.r.l., and in the growth strategy focusing on the capacity to adopt solutions that are easily scalable. PrivacyLab closed 2019 with revenues amounting to roughly € 1.1 million and EBITDA of around € 0.3 million<sup>2</sup>.

A € 612 thousand advance payment on the acquisition price, equal to 60% of the share capital of Privacy Lab, was made on closing. Regarding this transaction, it was decided that after approval of the financial statements at 31 December 2019 an earn-out would be recognised, calculated on the basis of EBITDA and the net financial position (contractually defined) at 31 December 2019, with 50% to be paid by 30 June 2020 and the remaining 50% on 31 December 2020. This earn-out was established as € 690 thousand, 50% of which (€ 345 thousand) was paid on 29 June 2020.

Through a system of put & call options, Warrant Hub has the option of acquiring the remaining 30% of the company in 2022 after approval of the financial statements at 31 December 2021, for an amount currently estimated at € 1,157 thousand.

<sup>2</sup> Data prepared according to ITA GAAP standards.

The company, which was consolidated on a line-by-line basis from 1 January 2020, with the recognition of minority interests on the remaining 10%, contributed € 631 thousand to Tinexta Group Revenues for First Half 2020 and € 226 thousand to Net profit.

Warrant Hub holds a call option on the remaining 10%, to be exercised in 2022 after approval of the financial statements at 31 December 2021.

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

€ '000s	
Cash and cash equivalents for 60%	612
Price supplement on 60%	690
Fair value of put & call options on 30%	974
<b>Total consideration transferred</b>	<b>2,276</b>

The following is a summary of book values recognised with reference to the assets acquired and liabilities assumed at the acquisition date of the company:

€ '000s	Book values
Property, plant and equipment	71
Intangible assets	209
Equity-accounted investments	1
Non-current financial assets	5
Current financial assets	12
Trade and other receivables	421
Cash and cash equivalents	505
<b>Total assets acquired</b>	<b>1,224</b>
Employee benefits	7
Non-current financial liabilities	30
Current financial liabilities	32
Trade and other payables	259
Contract liabilities	589
Current and deferred tax liabilities	24
<b>Total liabilities assumed</b>	<b>940</b>
<b>Net assets acquired</b>	<b>283</b>

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

€ '000s	
Total consideration transferred	2,276
Net assets acquired	283
Net assets of minority shareholders acquired	-28
<b>Goodwill</b>	<b>2,021</b>

Net cash flow at the acquisition date, including the first tranche of the earn-out paid on 29 June 2020, deriving from the consolidation of PrivacyLab:

€ '000s

Consideration paid on closing	-612
1st tranche of contingent consideration	-345
Cash and cash equivalents acquired	505
<b>Net cash flow deriving from the consolidation</b>	<b>-452</b>

## Information on the Statement of Financial Position

The items of the Consolidated Statement of Financial Position at 30 June 2020 are commented hereunder. The tables of changes in equity items show the effects on the consolidated data of changes in the scope of consolidation (provisional estimated values of assets and liabilities acquired from PrivacyLab S.r.l., consolidated line-by-line from 1 January 2020) as illustrated in Note 12. *Business Combinations*.

### 13. PROPERTY, PLANT AND EQUIPMENT

Changes in investments in property, plant and equipment:

€ '000s	31/12 2019	Investme nts	Divestme nts	Depreciat ion	Change in scope	Revalua tions	Impairme nt	Exchange rate delta	30/06 2020
<i>Land</i>									
Cost	148								148
<b>Net value</b>	<b>148</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>148</b>
<i>Leased land</i>									
Cost	303								303
<b>Net value</b>	<b>303</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>303</b>
<i>Buildings</i>									
Cost	1,054								1,054
Accumulated Depreciation	-436			-16					-452
<b>Net value</b>	<b>618</b>	<b>0</b>	<b>0</b>	<b>-16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>603</b>
<i>Leased buildings</i>									
Cost	17,643	369	-14		48	17	-716		17,346
Accumulated Depreciation	-3,972		14	-1,427			10		-5,374
<b>Net value</b>	<b>13,671</b>	<b>369</b>	<b>0</b>	<b>-1,427</b>	<b>48</b>	<b>17</b>	<b>-706</b>	<b>0</b>	<b>11,972</b>
<i>Electronic machines</i>									
Cost	20,564	422	-8		12			-2	20,987
Accumulated Depreciation	-17,918		6	-1,019	-3			1	-18,934
<b>Net value</b>	<b>2,645</b>	<b>422</b>	<b>-2</b>	<b>-1,019</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>2,054</b>
<i>Leased electronic machines</i>									
Cost	637								637
Accumulated Depreciation	-106			-106					-212
<b>Net value</b>	<b>531</b>	<b>0</b>	<b>0</b>	<b>-106</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>425</b>
<i>Leasehold improvements</i>									
Cost	1,998	2							2,000
Accumulated Depreciation	-1,532			-103					-1,635
<b>Net value</b>	<b>465</b>	<b>2</b>	<b>0</b>	<b>-103</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>365</b>
<i>Other assets</i>									
Cost	7,775	141	-140		35				7,811
Accumulated Depreciation	-6,457		140	-258	-20				-6,595
<b>Net value</b>	<b>1,319</b>	<b>141</b>	<b>0</b>	<b>-258</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,217</b>
<i>Other leased assets</i>									
Cost	2,306	383	-14			22	-25		2,673
Accumulated Depreciation	-792		14	-444			7		-1,215
<b>Net value</b>	<b>1,514</b>	<b>383</b>	<b>0</b>	<b>-444</b>	<b>0</b>	<b>22</b>	<b>-17</b>	<b>0</b>	<b>1,458</b>
<b>Property, plant and equipment</b>	<b>21,215</b>	<b>1,317</b>	<b>-2</b>	<b>-3,372</b>	<b>71</b>	<b>40</b>	<b>-724</b>	<b>-1</b>	<b>18,544</b>
<i>of which leased</i>	<i>16,019</i>	<i>752</i>	<i>0</i>	<i>-1,977</i>	<i>48</i>	<i>40</i>	<i>-724</i>	<i>0</i>	<i>14,158</i>

The Group has opted to recognise right of use assets from leases under *Property, plant and equipment*, in the same categories in which the underlying assets would have been recognised if owned. Right of use assets

on properties are recognised under *Leased buildings*, whilst right of use assets on vehicles are recorded under *Other leased assets*. *Revaluations* include adjustments to rights of use due to increases in lease payments or to lease extensions; *Impairment* refers solely to early terminations of leases.

The investments in *Electronic machines* totalling € 422 thousand include € 308 thousand attributable to the *Digital Trust* segment and refer mainly to acquisitions of hardware and electronic devices required for company data centre operations.

#### 14. INTANGIBLE ASSETS AND GOODWILL

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

€ '000s	31/12 2019	Investme nts	Divestme nts	Amortisa tion	Reclassifi cations	Change in scope	Allocati ons	30/06 2020
<i>Goodwill</i>								
Original cost	198,180						2,021	200,201
<b>Net value</b>	<b>198,180</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,021</b>	<b>200,201</b>
<i>Other intangible assets with indefinite useful life</i>								
Original cost	405							405
Amortisation 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>405</b>
<i>Software</i>								
Original cost	59,549	214			2,789	248		62,799
Accumulated amortisation	-48,348			-2,386		-53		-50,787
<b>Net value</b>	<b>11,200</b>	<b>214</b>	<b>0</b>	<b>-2,386</b>	<b>2,789</b>	<b>195</b>	<b>0</b>	<b>12,012</b>
<i>Concessions, licences, trademarks and similar rights</i>								
Original cost	276	1				16		293
Accumulated amortisation	-192			-6		-2		-200
<b>Net value</b>	<b>84</b>	<b>1</b>	<b>0</b>	<b>-6</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>93</b>
<i>Other intangible assets from consolidation</i>								
Original cost	73,830							73,830
Accumulated amortisation	-24,438			-2,949				-27,387
<b>Net value</b>	<b>49,392</b>	<b>0</b>	<b>0</b>	<b>-2,949</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>46,443</b>
<i>Assets in progress and advances</i>								
Original cost	3,752	2,247			-2,789			3,210
<b>Net value</b>	<b>3,752</b>	<b>2,247</b>	<b>0</b>	<b>0</b>	<b>-2,789</b>	<b>0</b>	<b>0</b>	<b>3,210</b>
<i>Databases</i>								
Original cost	13,788	2,430						16,218
Accumulated amortisation	-6,879			-1,791				-8,670
<b>Net value</b>	<b>6,909</b>	<b>2,430</b>	<b>0</b>	<b>-1,791</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,548</b>
<i>Other</i>								
Original cost	48		-2					46
Accumulated amortisation	-36			-5				-40
<b>Net value</b>	<b>13</b>	<b>0</b>	<b>-2</b>	<b>-5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b>Intangible assets with definite and indefinite useful life</b>	<b>269,935</b>	<b>4,891</b>	<b>-2</b>	<b>-7,136</b>	<b>0</b>	<b>209</b>	<b>2,021</b>	<b>269,918</b>



## Goodwill

As at 30 June 2020, the item amounts to € 200,201 thousand and can be broken down as follows among the CGUs/Operating segments:

€ '000s		30/06/2020	31/12/2019	Change
<b>CGU</b>	<b>Operating segments</b>			
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)	33,774	31,753	2,021
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>200,201</b>	<b>198,180</b>	<b>2,021</b>

The increase in goodwill allocated to the Warrant CGU refers to the acquisition of PrivacyLab S.r.l., consolidated on a line-by-line basis from 1 January 2020. For details of its calculation, reference is made to *Note 12. Business Combinations*. Note that the allocation of this goodwill is determined in a provisional manner, as the measurement at fair value of the net assets acquired is still under way.

In compliance with the requirements of IAS 36, the CGUs were defined as the smallest identifiable asset group that generates cash flows that are largely independent from the cash flows generated by other assets or groups of assets and represent the minimum level at which goodwill is monitored for internal management purposes.

The identified CGUs to which goodwill has been allocated are indicated in the table above. In particular, goodwill was allocated to the CGUs, as defined above, at the time of the acquisition of control of each individual company or group of companies.

Goodwill is periodically tested to determine the existence of any impairment. In relation to the COVID-19 emergency, the Group decided to measure the recoverable value of the Innolva and Co.Mark CGUs at 30 June, also in view of the reduced surplus of recoverable value over the book value found at 31 December 2019.

The recoverable value of these CGUs was determined on the basis of estimated value in use, as the fair value of the individual CGUs could not be reliably measured.

The value in use has been determined by using the discounted cash flow method, in the unlevered version, applied to forecasts prepared by the Directors of each CGU in relation to the three-year period from 2020 to 2022. In calculating the value in use of the CGUs concerned, an analysis was conducted of the financial projections based on current knowledge of the reference context influenced by elements such as the market response to external stimuli (public funding) now pending finalisation, the effectiveness of communications tools to be used in the next few months, additional cost-saving measures not yet realizable by decree. In short, the assumptions underlying the 2020-22 plan were reviewed with regard to business dynamics and the strategic orientation scenarios for the companies, and the financial values were reviewed in light of the changes in the macroeconomic scenario brought about by the pandemic.

The cash flows used for the determination of the value in use are related to the operational management of each CGU and do not include financial charges and extraordinary items; they include the investments envisaged in the plans and changes in cash attributable to working capital, without taking into consideration the effects of future restructuring not yet approved by the directors or future investments to improve future

profitability. The forecast growth in the plans used as the basis for impairment tests is in line with the corresponding growth forecast in the respective sectors. An explicit period of three years was used, beyond which the above flows were projected according to the perpetuity growth valuation method (terminal value) using a growth rate (g-rate) equal to 1.2% for the market within which the individual CGUs operate. The macroeconomic assumptions at the base of the plans, when available, were determined based on external sources of information, while the estimates in terms of growth and profitability used by the directors, are derived from historical trends and expectations related to the markets in which Group companies operate.

The cash flows were discounted by prudentially using a WACC equal to 7.35% post-tax, estimated with a Capital Asset Pricing Model approach, for the impairment test at 31 December 2019, despite the WACC estimate at 30 June 2020 envisaging a lower value.

The impairment test at 30 June 2020 did not identify any impairment in recognised goodwill. The plans underlying the impairment tests mentioned above were approved by the Boards of Directors of the individual companies, or sub-groups, to which goodwill has been allocated. The impairment tests were approved by the Board of Directors of Tinexta on 4 August 2020.

The surplus recoverable value of the Innolva and Co.Mark CGUs relative to their book values, determined on the basis of the assumptions described above, is as follows:

€ '000s		30/06/2020
CGU	Operating segments	
Goodwill Innolva	(Credit Information & Management)	5,906
Goodwill Co.Mark	(Innovation & Marketing Services)	640

The surplus recoverable value of the CGUs relative to their book values are evaluated with the following sensitivity analyses: (i) an increase in WACC used to develop cash flows of all CGUs of 50 basis points, all other conditions being equal; (ii) a decrease in the growth rate in the calculation of the terminal value of 50 basis points, all other conditions being equal:

€ '000s		WACC	g-rate
CGU	Operating segments	0.50%	-0.50%
Goodwill Innolva	(Credit Information & Management)	-4,066	-2,952
Goodwill Co.Mark	(Innovation & Marketing Services)	-3,161	-2,558

WACC and g-rate values that would result in the recoverable value of each CGU being equal to the related book value, with all other parameters used in the respective impairment tests remaining the same:

%		WACC	g-rate
CGU	Operating segments		
Goodwill Innolva	(Credit Information & Management)	7.64	0.88
Goodwill Co.Mark	(Innovation & Marketing Services)	7.43	1.11

### 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. The impairment test at 30 June 2020 did not identify any impairment in the database.

### 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 € 214 thousand, plus € 2,789 thousand for the production start-up of investments made in previous years, are attributable to the segments *Digital Trust* (€ 2,075 thousand) and *Credit Information & Management* (€ 838 thousand).

#### Databases

*Databases* increased by € 2,430 thousand due to investments made during the period. Investment in the *Credit Information & Management* segment, 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:

€ '000s	30/06/2020	31/12/2019	Change
Warrant Hub customer list	24,975	25,842	-866
Innolva customer list	17,308	18,221	-912
Promozioni Servizi customer list	2,139	2,234	-94
Visura customer list	1,442	2,164	-721
Co.Mark customer list	329	658	-329
Camerfirma customer list	249	274	-26
<b>Other intangible assets from consolidation</b>	<b>46,443</b>	<b>49,392</b>	<b>-2,949</b>

The decrease recognised during the year can be attributed to amortisation (equal to € 2,949 thousand).

### Assets in progress and advances

*Assets in progress* rose by € 2,247 thousand, of which € 1,430 thousand in the *Digital Trust* segment for the implementation of various innovative solutions with different purposes and characteristics; both direct costs,

referring to internal personnel costs, and external costs for the acquisition of technical consultation necessary for the development and implementation of the solutions, were capitalised. An additional € 718 thousand refers to software development regarding projects not yet finalised in the *Credit information & Management* segment.

## 15. INVESTMENT PROPERTY

Changes in investment property:

€ '000s	31/12/2019	Investments	Divestments	Depreciation	Reclassifications	30/06/2020
<i>Buildings - investment property</i>						
Original cost	1,090					1,090
Accumulated depreciation	-340			-13		-353
<b>Net value</b>	<b>750</b>	<b>0</b>	<b>0</b>	<b>-13</b>	<b>0</b>	<b>737</b>
<b>Investment property</b>	<b>750</b>	<b>0</b>	<b>0</b>	<b>-13</b>	<b>0</b>	<b>737</b>

Rent revenues from investment property recognised during the period amounted to € 23 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.

€ '000s	% ownership	31/12/2019	Increases/Decreases in the Income Statement	Change in scope	Exchange rate delta	30/06/2020	% ownership
Lux Trust S.A.	50%	11,021	-15			11,006	50%
Innovazione 2 Sagl	30%	252	96		5	353	30%
Creditreform GPA Ticino S.A.	30%	100	-9		1	92	30%
eTuitus S.r.l.	24%	46	14			59	24%
Camerfirma Colombia S.A.S.	25%	35	5		-5	35	25%
Digital Hub S.r.l.	0%	0		1		1	30%
<b>Investments in associates</b>		<b>11,454</b>	<b>91</b>	<b>1</b>	<b>1</b>	<b>11,547</b>	

The investee Lux Trust S.A. recorded a loss in the period based on local Luxembourg GAAP. At the preparation date of this half-year report, no disclosure for the period prepared according to the IFRS adopted by the Group was available for this investee. However, the item is immaterial. The decrease in this investment in the Income Statement refers to amortisation of the customer list recorded on the recognition at fair value of assets and liabilities acquired at the time of acquisition.

The investment in Digital Hub S.r.l. was included following the consolidation of PrivacyLab S.r.l.

*Other investments*

The item in question includes investments in other companies for € 22 thousand (unchanged since 31 December 2019) and refers to minority interests in companies/consortia.

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

€ '000s	30/06/2020	31/12/2019	Change
Other financial assets, excluding derivative financial instruments	1,181	1,149	33

This item includes two capitalisation insurance contracts whose fair value amounts to € 438 thousand at 30 June 2020. The remainder, in addition to the receivable of € 64 thousand relative to the price deferment granted to the purchasers of 70% of Creditreform, mainly includes receivables for security deposits.

## 18. DEFERRED TAX ASSETS AND 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:

€ '000s	31/12/2019	Allocations (Releases) Income statement	Allocations (Releases) Shareholders' Equity	Allocations (Releases) Comprehensive income statement	Change in Scope - Acquisitions	30/06/2020
Deferred tax assets	5,635	-415		91	0	5,311
Deferred tax liabilities	15,848	-970		-4		14,875
<b>Net balance</b>	<b>-10,213</b>	<b>556</b>	<b>0</b>	<b>94</b>	<b>0</b>	<b>-9,564</b>

*Deferred tax liabilities* refer primarily to the fair value of assets emerging from the allocation of excess cost paid in business combinations for a total of € 14,020 thousand at 30 June 2020. The releases to the Income Statement referred to *Other intangible assets from consolidation* for € 838 thousand and *Software* for € 79 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.

€ '000s	30/06/2020	31/12/2019	Change
Contract obtainment cost assets	1,628	1,924	-295
Contract fulfilment cost assets	3,637	3,306	331
<b>Non-current contract cost assets</b>	<b>5,265</b>	<b>5,230</b>	<b>35</b>
Contract fulfilment cost assets	891	1,278	-387
<b>Current contract cost assets</b>	<b>891</b>	<b>1,278</b>	<b>-387</b>
<b>Contract cost assets</b>	<b>6,157</b>	<b>6,508</b>	<b>-352</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 incurred, 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 € 1,628 thousand at 30 June 2020, include commissions paid to agents to obtain contracts predominantly in the *Credit Information & Management* and *Innovation & Marketing Services* segments. 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 2020 amounts to € 2,428 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 2020 equalled € 1,404 thousand, and no impairment losses on the capitalised costs were recorded.

## 20. CONTRACT ASSETS

*Contract assets* of € 4,579 thousand at 30 June 20 (€ 6,187 thousand at 31 December 2019) 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 customers for project work and accrued trade assets.

## 21. TRADE AND OTHER RECEIVABLES

*Trade and other receivables* totalled € 89,418 thousand (€ 91,109 thousand at 31 December 2019) and can be detailed as follows:

€ '000s	30/06/2020	31/12/2019	Change
Receivables from customers	70	93	-22
Prepaid expense	965	1,188	-223
Receivables from others	52	52	0
<b>Non-current trade and other receivables</b>	<b>1,088</b>	<b>1,333</b>	<b>-245</b>
Receivables from customers	79,611	81,855	-2,244
Receivables from associated companies	137	247	-110
Receivables from others	2,442	2,930	-488
VAT credit	174	215	-41
Other tax receivables	636	483	153
Prepaid expense	5,331	4,045	1,285
<b>Current trade and other receivables</b>	<b>88,330</b>	<b>89,775</b>	<b>-1,445</b>
<i>of which vs. related parties</i>	<i>146</i>	<i>267</i>	<i>-121</i>
<b>Trade and other receivables</b>	<b>89,418</b>	<b>91,109</b>	<b>-1,691</b>

Receivables from customers are shown net of the related bad debts provision of € 7,728 thousand at 30 June 2020 (€ 6,105 thousand at 31 December 2019).

The following table provides a breakdown of current trade receivables from customers at 30 June 2020, grouped by maturity brackets, gross and net of the related bad debts provision:

€ '000s	30/06/2020	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>87,338</b>	54,866	11,543	7,316	4,979	8,634
Bad debts provision	<b>7,728</b>	376	523	774	1,047	5,008
% Bad debts provision	<b>8.8%</b>	0.7%	4.5%	10.6%	21.0%	58.0%
<b>Net value</b>	<b>79,611</b>	54,490	11,020	6,542	3,932	3,626

Changes in the bad debts provision in the period:

€ '000s	
<b>Bad debts provision at 31 December 2019</b>	<b>6,105</b>
Allocations 1st Half 2020	1,878
Uses 1st Half 2020	-255
<b>Bad debts provision at 30 June 2020</b>	<b>7,728</b>

The balance of *Receivables from others* at 30 June 2020 included a receivable for EU-funded grants on research and development projects not yet received for around € 900 thousand. The remainder is mainly attributable to advances to suppliers and agents.

As regards the *VAT receivable*, note that Group companies (except foreign entities, Warrant Service S.r.l. and PrivacyLab S.r.l.) are among the entities to which the split payment rule applies pursuant to Art. 17-ter, Italian Presidential Decree no. 633 of 26 October 1972. As a result, VAT is not paid to those suppliers (who are not professionals subject to withholding tax) with required payments being made instead on a regular basis to the tax authorities.

*Prepaid expense* represents charges deferred to beyond the quantification/recording date; it does not depend on the payment date of the corresponding charges, pertains to two or more fiscal years and is proportionally allocated based on time. This item refers primarily to the hardware and software maintenance services of the *Digital Trust* segment.

## 22. INVENTORIES

Inventories at 30 June 2020 amounted to € 1,197 thousand (€ 1,145 thousand at 31 December 2019) and can be broken down as follows:

€ '000s	30/06/2020	31/12/2019	Change
Raw and ancillary materials and consumables	742	697	45
Finished products and goods	455	447	8
<b>Inventories</b>	<b>1,197</b>	<b>1,145</b>	<b>53</b>

*Inventories* of raw materials are mainly attributable to the *Digital Trust* sector and consist primarily 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 € 6,617 thousand at 30 June 2020 (€ 6,593 thousand at 31 December 2019).

€ '000s	30/06/2020	31/12/2019	Change
Guarantee deposits	4,000	4,000	0
Capitalisation insurance contracts	1,973	1,961	12
Other financial assets	644	632	12
<b>Other current financial assets</b>	<b>6,617</b>	<b>6,593</b>	<b>24</b>

*Guarantee deposits* include 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., which were not due on the basis of those contractual arrangements and the final results of the company.

### 24. CURRENT TAX ASSETS AND LIABILITIES

At 30 June 2020, the Group showed an overall net debt position for current taxes equal to € 2,839 thousand (€ 2,156 thousand at 31 December 2019) as detailed below:

€ '000s	30/06/2020	31/12/2019	Change
Current tax assets	251	756	-505
<i>of which vs. related parties</i>	6	322	-317
Current tax liabilities	3,089	2,911	178
<b>Net current tax assets (liabilities)</b>	<b>-2,839</b>	<b>-2,156</b>	<b>-683</b>

The change in *Net current tax liabilities* reflects the allocation of taxes for the first half of the year, non-recurring income of € 723 thousand deriving from the elimination of the payment of 2019 IRAP balance as per Italian Law Decree 34/2020 (the "Relaunch Decree") and payments made (IRES and foreign taxes) in the First Half.

Starting from 2018, the Parent Company Tinexta S.p.A. opted, as consolidating entity, for the national consolidated taxation pursuant to Art. 117 et seq. of Italian Presidential Decree 917/86 (the Consolidated Tax Act - TUIR) for the three-year period 2018-2020, 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.

*Current tax assets vs. related parties* includes the amount due from the controlling shareholder Tecno Holding S.p.A. for receivables related to the tax income recognised by InfoCert S.p.A. for the "Patent Box" tax relief, pursuant to Art. 1, paragraphs 37 to 45, Italian Law no. 190 of 23 December 2014, for the years 2015 and 2016 (for further details see Note 42. Taxes) in which the tax consolidation (2015-2017) was with the controlling Shareholder.



## 25. DERIVATIVE FINANCIAL INSTRUMENTS

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

€ '000s	30/06/2020	31/12/2019	Change
Non-current financial assets for hedging derivatives	0	15	-15
Current financial assets for hedging derivatives	6	16	-10
Non-current financial liabilities for hedging derivatives	672	262	410
Current financial liabilities for hedging derivatives	17	45	-28
<b>Liabilities for net hedging derivative financial instruments</b>	<b>683</b>	<b>276</b>	<b>407</b>

The current derivative financial instruments at 30 June 2020 refer to contracts executed by the Group to hedge the risk of cash flow changes due to fluctuating interest rates on a portion of bank loans (for details, see Note 30. *Financial liabilities, excluding derivative financial instruments*).

Tables illustrating the contract type, notional value, loan hedged and fair value of current derivatives at 30 June 2020:

€ '000s

Type	Loan hedged	Notional	Maturity date	Rate received	Rate paid	Fair value at 30/06/2020	Fair value at 31/12/2019
IRS	CA line A	2,763	31/12/2020	6-month Euribor	0.576%	-12	-32
IRS	CA line A	4,095	30/06/2023	6-month Euribor	0.600%	-62	-71
IRS	CA line A	1,138	31/12/2020	6-month Euribor	0.595%	-5	-13
IRS	CA line A	1,005	30/06/2023	6-month Euribor	0.640%	-20	-22
IRS	CA line C	13,500	31/12/2024	6-month Euribor	-0.220%	-47	4
IRS	ISP Group	35,503	31/12/2025	6-month Euribor	-0.163%	-231	10
<b>Total Interest Rate Swap hedging instruments</b>		<b>58,003</b>				<b>-377</b>	<b>-122</b>

€ '000s

Type	Loan hedged	Notional	Maturity date	Hedged rate	Strike	Fair value at 30/06/2020	Fair value at 31/12/2019
Capped Swap	CA line A	7,500	30/06/2023	6-month Euribor	1.500%	-13	-18
Capped Swap	BPS	6,667	30/06/2023	6-month Euribor	1.500%	-11	-15
Capped Swap	UBI	10,000	29/05/2023	6-month Euribor	0.500%	-16	0
<b>Total Capped Swap hedging instruments</b>		<b>24,167</b>				<b>-40</b>	<b>-33</b>

€ '000s

Type	Loan hedged	Notional	Maturity date	Hedged rate	Strike	Fair value at 30/06/2020	Fair value at 31/12/2019
Floor	CA line A	3,900	31/12/2020	6-month Euribor	0.001%	6	16
Floor	BNL	20,000	31/12/2025	6-month Euribor	-1.450%	-63	-65
<b>Total Floor Option hedging instruments</b>		<b>23,900</b>				<b>-58</b>	<b>-50</b>

€ '000s

Type	Loan hedged	Notional	Maturity date	Hedged rate	Strike	Fair value at 30/06/2020	Fair value at 31/12/2019
Collar	ISP Group	11,073	31/12/2025	6-month Euribor	1.75%/-0.33%	-57	-25
Collar	BNL	20,000	31/12/2025	6-month Euribor	1.00%/-0.30%	-152	-46
<b>Total Collar Option Hedging instruments</b>		<b>31,073</b>				<b>-209</b>	<b>-71</b>

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

## 26. CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to € 36,161 thousand at 30 June 2020 (€ 33,600 thousand at 31 December 2019) and the breakdown is as follows:

€ '000s	30/06/2020	31/12/2019	Change
Bank and postal deposits	36,095	33,533	2,562
Cheques	11	14	-3
Cash and cash equivalents	56	53	3
<b>Cash and cash equivalents</b>	<b>36,161</b>	<b>33,600</b>	<b>2,561</b>

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

## 27. SHAREHOLDERS' EQUITY

The approved, subscribed and paid-in Share Capital amounted to € 47,207,120 at 30 June 2020 and consists of 47,207,120 Ordinary Shares.

At 30 June 2020, Tinexta S.p.A. held 775,014 Treasury Shares, equal to 1.642% of the share capital, for a total value of € 9,022 thousand.

Consolidated *Shareholders' Equity* at 30 June 2020 amounted to € 153,531 thousand (€ 149,426 thousand at 31 December 2019) and can be analysed as follows:

€ '000s	30/06/2020	31/12/2019	Change
Share Capital	47,207	47,207	0
Treasury Shares held	-9,022	0	-9,022
Legal reserve	4,315	3,112	1,202
Share premium reserve	55,439	55,439	0
Stock Option reserve	39	0	39
Reserve from valuation of hedging derivatives	-539	-241	-298
Defined benefit plans reserve	-846	-846	0
Other reserves	37,588	12,714	24,874
Profit (loss) for the Group	15,785	28,182	-12,397
<b>Total Group Shareholders' Equity</b>	<b>149,965</b>	<b>145,567</b>	<b>4,399</b>
Capital and reserves attributable to minority interests	3,359	3,263	96
Profit (loss) attributable to minority interests	206	596	-390
<b>Total minority interests</b>	<b>3,566</b>	<b>3,859</b>	<b>-294</b>
<b>Total Shareholders' Equity</b>	<b>153,531</b>	<b>149,426</b>	<b>4,105</b>

Treasury Shares held includes the cost incurred for purchase of the Treasury Shares and related transaction costs.

The *Stock Option reserve* refers to the allocation recognised under *Personnel costs* (to which reference should be made for details) on the 2020-2022 Stock Option Plan.

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

The *Defined benefit plans reserve* refers to the actuarial component of employee severance indemnity according to the requirements of IAS 19.

## 28. PROVISIONS

Provisions, amounting to € 3,799 thousand at 30 June 2020 (€ 3,432 thousand at 31 December 2019) are detailed as follows:

€ '000s	31/12/2019	Allocations	Uses	Releases	30/06/2020
Provision for pensions	1,103	84	-15		1,173
Other non-current provisions	1,909	210	-48		2,072
<b>Non-current provisions</b>	<b>3,013</b>	<b>294</b>	<b>-63</b>	<b>0</b>	<b>3,244</b>
Provision for disputes with employees	417		-15		401
Other current provisions	3	150			153
<b>Current provisions</b>	<b>420</b>	<b>150</b>	<b>-15</b>	<b>0</b>	<b>554</b>
<b>Provisions</b>	<b>3,432</b>	<b>444</b>	<b>-78</b>	<b>0</b>	<b>3,799</b>

The *Provision for pensions* relates to the provision of the supplementary indemnity due to agents, in the cases provided by law, 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 under *service costs*.

*Other current and non-current provisions* include allocations for disputes with customers, agents and authorities, where the risk of losing is considered probable.

The *provision for disputes with employees* includes allocations for disputes with current employees or with employees whose contracts were terminated at 30 June 2020. The amounts allocated for disputes with employees, net of releases, are recognised by nature under *personnel costs*.

### *Other information*

In May 2019, the subsidiary Visura S.p.A. was subject to a personal data breach following which the Personal Data Protection Authority initiated an investigation of InfoCert S.p.A. requesting information and inspection operations to be carried out at the Company's office. It should not be excluded that these activities could lead to the opening of a sanctioning procedure by the Personal Data Protection Authority. At the reporting date, it is not possible to anticipate with certainty if a sanction will be imposed, and in that case, to provide an accurate estimate thereof.

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.

## 29. EMPLOYEE BENEFITS

Employee benefits, amounting to € 12,792 thousand at 30 June 2020 (€ 12,449 thousand at 31 December 2019) are detailed as follows:

€ '000s	30/06/2020	31/12/2019	Change
Employee severance indemnity	12,123	11,813	310
Other non-current employee benefits	98	65	33
<b>Non-current employee benefits</b>	<b>12,221</b>	<b>11,878</b>	<b>343</b>
Other current employee benefits	571	571	0
<b>Current employee benefits</b>	<b>571</b>	<b>571</b>	<b>0</b>
<b>Employee benefits</b>	<b>12,792</b>	<b>12,449</b>	<b>343</b>

The item *Other employee benefits* at 30 June 2020 includes the provision relating to a long-term incentive program for the management of InfoCert S.p.A., expected to be paid in 2020 (€ 571 thousand) and in 2021 (€ 98 thousand).

## 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:

€ '000s	30/06/2020	31/12/2019	Change
Current portion of bank loans	17,835	23,752	-5,917
Non-current portion of bank loans	99,428	90,552	8,876
Other current bank payables	284	2,952	-2,668
Liabilities for the purchase of minority interests, current	14,839	17,950	-3,111
Liabilities for the purchase of minority interests, non-current	2,098	0	2,098
Liabilities for current contingent consideration	345	7,741	-7,396
Current price deferment liabilities	2,725	2,830	-105
Non-current price deferment liabilities	2,867	5,388	-2,521
Liabilities for the purchase of current leased assets	4,008	3,898	110
Liabilities for the purchase of non-current leased assets	9,205	11,098	-1,892
Current payables to other lenders	3,055	2,879	177
Non-current payables to other lenders	4	1	3
<b>Current financial liabilities</b>	<b>43,091</b>	<b>62,001</b>	<b>-18,910</b>
<i>of which vs. related parties</i>	584	578	6
<b>Non-current financial liabilities</b>	<b>113,601</b>	<b>107,039</b>	<b>6,562</b>
<i>of which vs. related parties</i>	1,167	1,458	-290
<b>Total</b>	<b>156,692</b>	<b>169,040</b>	<b>-12,348</b>

The expiry of Non-current financial liabilities is expected within 5 years from the date of the Financial Statements in the amount of € 7,692 thousand, of which € 6,502 thousand for bank loans and € 1,190

thousand for lease liabilities. The financial liabilities recognised in the Financial Statements at 30 June 2020 are summarised below, broken down according to their contractually envisaged due date:

<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 30/06/2020
Bank loans	17,835	22,604	23,119	20,537	26,666	6,502	<b>117,262</b>
Other current bank payables	284						<b>284</b>
Liabilities for the purchase of minority interests	14,839	1,004	1,094				<b>16,937</b>
Liabilities for contingent consideration	345						<b>345</b>
Price deferment liabilities	2,725	1,230	1,247	243	147	0	<b>5,592</b>
Liabilities to Controlling Shareholder for loans	0						<b>0</b>
Lease liabilities	4,008	3,317	2,070	1,494	1,134	1,190	<b>13,213</b>
Liabilities to other lenders	3,055	4					<b>3,059</b>
<b>Total financial liabilities</b>	<b>43,091</b>	<b>28,158</b>	<b>27,530</b>	<b>22,275</b>	<b>27,947</b>	<b>7,692</b>	<b>156,692</b>

### Bank loans

Breakdown of the *Bank loans* at 30 June 2020 showing the current and non-current portions of their book value, including the effects of measurement at amortised cost.

Bank loans € '000s	Counterparty	Current rate	Maturity date	Nominal amount	Book value	Current portion	Non-current portion
UBI loan	UBI Banca	6-month Euribor <sup>1</sup> + spread 1.20%	28/05/2023	10,000	9,839	-68	9,907
BPS loan	Banca Popolare di Sondrio	6-month <sup>1</sup> Euribor + spread 1.25% <sup>2</sup>	31/12/2023	7,000	6,943	1,974	4,969
Credem loan	Credem	6-month Euribor + spread 1.20%	30/01/2024	3,607	3,595	988	2,607
CA line C loan	Crédit Agricole	6-month Euribor + spread 1.50% <sup>2</sup>	31/12/2024	13,500	13,380	2,955	10,425
CA line A loan	Crédit Agricole	6-month Euribor + spread 1.10% <sup>2</sup>	30/06/2025	31,000	29,691	4,682	25,009
ISP Group loan	Intesa Sanpaolo Group	6-month Euribor + spread 1.40%	31/12/2025	46,576	45,912	7,013	38,898
BNL loan	BNL	6-month Euribor + spread 1.45%	31/12/2025	8,000	7,765	153	7,612
Other minor loans				138	137	137	0
				<b>119,821</b>	<b>117,262</b>	<b>17,835</b>	<b>99,428</b>

<sup>1</sup> Floor at 0 on 6-month Euribor

<sup>2</sup> Spread subject to change on the contractually defined NFP/EBITDA parameter

The **Crédit Agricole Line A financing** was signed on 18 June 2020 with a pool of banks, with Crédit Agricole Italia S.p.A. as the mandated lead arranger, to renegotiate the previous **Crédit Agricole Line A** and **Crédit Agricole Line B** financings (in turn renegotiated in 2017 with the same counterparties) due to mature on 30 June 2023. The new **Line A** for a total of € 31 million (replacing the previous line for € 30,625 thousand, therefore with an encashment of € 375 thousand net of commissions at the renegotiation date) matures on 30 June 2025, envisages principal repayments in deferred semi-annual instalments from 31 December 2020 and interest at the floating 6-month Euribor rate plus a 110 bps margin. The margin applied is updated annually on the basis of the contractually defined NFP/EBITDA ratio as follows: NFP/EBITDA > 1.75 Margin 110 bps; NFP/EBITDA ≤ 1.75 Margin 105 bps. For IFRS 9 purposes, the transaction qualifies as a renegotiation without accounting derecognition of the financial liability and generated income recognised under *Financial income* of € 588 thousand.

The financing agreement signed on 18 June 2020 envisages an additional credit facility (**Crédit Agricole Line B**) for € 10 million, usable in one or more tranches by 31 December 2020 (unused at 30 June 2020). The main terms of the new line are: maturity on 30 June 2025, repayment of principal in deferred semi-annual instalments and interest settled at the floating 6-month Euribor rate plus a margin of 110 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:  $NFP/EBITDA > 1.75$  Margin 110 bps;  $NFP/EBITDA \leq 1.75$  Margin 105 bps.

The **Crédit Agricole Line C financing** was disbursed for € 15 million on 28 June 2019 million to meet the financial commitment deriving from the repayment of the financing extended by 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 floating 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 bps;  $NFP/EBITDA \leq 2$  and  $> 1.5$  Margin 135 bps;  $NFP/EBITDA \leq 1.5$  Margin 120 bps.

On the Crédit Agricole financings the Company is committed, for each reference half-year, to respect the following limits: maximum NFP/EBITDA ratio threshold of 3.5 and NFP/Shareholders' Equity ratio of 2.0. At 30 June 2020, these parameters were respected.

The **Intesa Sanpaolo Group financing** available on demand for a total of € 50 million was fully drawn down at 30 June 2020 in order to support the planned investments for the acquisition of the minority stakes in subsidiaries based on the Put options exercised in 2019, as well as to meet the financial commitment deriving from settlement in June 2019 of the financing extended by the Controlling Shareholder Tecno Holding S.p.A. The financing carries interest at the 6-month Euribor rate plus 140 bps. Starting from 31 December 2019 and for each reference half-year period, the Group has committed to respecting the following financial limits: NFP/EBITDA less than 3.5 and NFP/Shareholders' 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.

The **UBI financing** signed on 28 May 2020 to renegotiate the financing obtained on 30 November 2017, originally for € 10 million with the same counterparty. The new line for a total of € 10 million (replacing the previous line for € 7,778 thousand, therefore collecting € 2,222 thousand in principal at the renegotiation date) matures on 28 May 2023, envisages principal repayments in deferred semi-annual instalments from 28 November 2021 and interest at the floating 6-month Euribor rate, with zero floor, plus a 120 bps margin. The interest is payable semi-annually from 28 November 2020. For IFRS 9 purposes, the transaction qualifies as a renegotiation without accounting derecognition of the financial liability and generated income recognised under *financial income* of € 122 thousand. Starting from 31 December 2020 and for each reference half-year period, the Group has committed to respecting the following financial limits: NFP/EBITDA less than 3.5 and NFP/Shareholders' Equity lower than 2.0. At 30 June 2020, these parameters were respected.

**BPS financing** for an original amount of € 10 million to support the acquisition of Lux Trust S.A. The financing was disbursed on 27 November 2018 at the 6-month Euribor rate, with zero floor, 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 bps;  $NFP/EBITDA < 3$  and  $\geq 2$  Margin 140 bps;  $NFP/EBITDA < 2$  Margin 125 bps. Starting from 31 December 2018 and for each reference half-year period, the Group has committed to respecting the following financial limits on consolidated data: NFP/EBITDA less than 3.5 and NFP/Shareholders' Equity lower than 2.0. At 30 June 2020, these parameters were respected. Based on the parameters indicated previously, the margin actually paid is 125 bps.

The **BNL financing** for a total of € 20 million, usable on demand by 20 December 2020, for which Tinexta S.p.A. signed the agreement on 20 December 2019. At 30 June 2020, € 8 million of the financing had been used to fund payment of the contingent consideration to the selling shareholders of Warrant Hub at that same date. The rate applied is the 6-month Euribor plus 145 bps and requires repayment of principal in increasing semi-annual instalments starting from 30 June 2021 and maturing on 31 December 2025, with interest paid semi-annually starting from 31 December 2020. Starting from 31 December 2018 and for each reference half-year period, the Group has committed to respecting the following financial limits on consolidated data: NFP/EBITDA less than 3.5 and NFP/Shareholders' Equity lower than 2.0. At 30 June 2020, these parameters were respected.

**Credem financing** for an original amount of € 5 million to support the acquisition of Lux Trust S.A. The financing 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.

Changes in *Bank loans* is provided for a better understanding of cash flows recognised under Financing activities in the Statement of Cash Flows:

<i>Amounts in Euro</i>	31/12/2019	Disbursements	Principal payments	Interest paid	Accrued interest	Other no cash flow changes	30/06/2020
Bank loans	114,304	10,035	-6,718	-689	1,040	-710	117,262

The disbursements for the period refer to the **BNL**, **UBI** and **Crédit Agricole Lines A and B** financings, net of transaction costs incurred for disbursement.

*Other non-cash flow changes* indicate the income deriving from renegotiations concluded in the period.

#### *Other current bank payables*

*Other current bank payables* amounted to € 284 thousand at 30 June 2020 (€ 2,952 thousand at 31 December 2019) and are composed primarily of bank current account overdrafts.

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

The item *Liabilities for the purchase of minority interests* includes the liabilities for put options granted by the Group to the non-controlling shareholders of Warrant Hub S.p.A. (9.75%), Sixtema S.p.A. (20%) and PrivacyLab S.r.l. (30%). 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 2020, the discount rate used was equal to WACC used for the purposes of the impairment test of the goodwill resulting from purchase of the equity investments in question (7.35%).

€ '000s	30/06/2020	30/06/2020		31/12/2019	31/12/2019		Change
		Current	Non-current		Current	Non-current	
Warrant Hub Put Options	14,839	14,839		14,125	14,125		714
Sixtema Put Options	1,094		1,094	1,554	1,554		-460
PrivacyLab Put Options	1,004		1,004	0			1,004
RE Valuta Put Options	0			2,271	2,271		-2,271
<b>Total liabilities for the purchase of minority interests</b>	<b>16,937</b>	<b>14,839</b>	<b>2,098</b>	<b>17,950</b>	<b>17,950</b>	<b>0</b>	<b>-1,013</b>

During the first half, the option rights were exercised by minority shareholders for 11.875% of RE Valuta S.p.A. share capital, in accordance with the originally envisaged contractual terms. Tinexta therefore holds



95% of RE Valuta S.p.A. share capital. The purchase price for the aforementioned participation was € 2,393 thousand plus accessory charges.

Also in the first half of the year, the Put & Call option contracts were renegotiated with the minority shareholders of 20% of Sixtema S.p.A. The option can be exercised in 2023 after approval of the 2022 Financial Statements, at a variable price linked to changes in the revenues of Sixtema S.p.A. in the period 2020-2022 with respect to a specific group of customers, compared to the revenues achieved in the same category in 2019.

#### *Liabilities for contingent consideration*

*Liabilities for contingent consideration* linked to acquisitions were determined at the present value of the amount to be paid at the contractual expiries, if the payment is envisaged more than 12 months after initial recognition.

€ '000s	30/06/2020	30/06/2020		31/12/2019	31/12/2019		Change
		Current	Non-current		Current	Non-current	
PrivacyLab contingent consideration	345	345		0			345
Warrant Hub contingent consideration	0			7,741	7,741		-7,741
<b>Total liabilities for contingent consideration</b>	<b>345</b>	<b>345</b>	<b>0</b>	<b>7,741</b>	<b>7,741</b>	<b>0</b>	<b>-7,396</b>

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

Also note the payment, during the period, to the selling shareholders of Warrant Hub of the contingent consideration totalling € 7,581 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., Warrant Hub S.p.A., Comas S.r.l., Promozioni Servizi S.r.l. and Eurofidi for the sale of the business unit.

Changes in *Price deferment liabilities* are illustrated to provide a better understanding of cash flows recognised under financing activities in the Statement of Cash Flows:

Amounts in Euro	31/12/2019	Principal payments	Interest paid	Accrued interest	30/06/2020
Price deferment liabilities	8,218	-2,548	-140	61	5,592

#### *Lease liabilities*

*Lease liabilities* includes the present value of payments due on the leases falling under the application of IFRS 16, adopted by the Group starting from 1 January 2019.

Changes in *Lease liabilities* are illustrated to provide a better understanding of cash flows recognised under financing activities in the Statement of Cash Flows:

Amounts in Euro	31/12/2019	New leases	Principal payments	Interest paid	Accrued interest	Change in scope	Other no cash flow changes	30/06/2020
Lease liabilities	14,996	752	-1,891	-161	152	48	-682	13,213



*Other non-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*

*Liabilities to other lenders* amounted to € 3,059 thousand (€ 2,880 thousand at 31 December 2019). The item includes € 2,576 thousand in prepaid amounts from customers to purchase stamp duties and fees not yet used at 30 June 2020 (€ 1,792 thousand at 31 December 2019) and € 465 thousand in payables to customers for amounts recovered to be returned as part of credit recovery activities of the *Credit Information & Management* segment (€ 515 thousand at 31 December 2019). Note the cancellation of the 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 (€ 565 thousand at 31 December 2019).

### 31. TRADE AND OTHER CURRENT PAYABLES

The item *Trade and other current payables* totalled € 51,433 thousand (€ 54,953 thousand at 31 December 2019) and can be detailed as follows:

€ '000s	30/06/2020	31/12/2019	Change
Payables to suppliers	27,366	32,553	-5,188
Payables to Controlling Shareholder	212	130	82
Payables to associated companies	81	45	37
Due to social security institutions	5,296	5,981	-684
VAT liability	6,848	3,398	3,449
Payable for withholding taxes to be paid	2,307	2,423	-116
Payables to employees	8,901	10,048	-1,147
Due to others	421	375	47
<b>Trade and other current payables</b>	<b>51,433</b>	<b>54,953</b>	<b>-3,521</b>
<i>of which vs. related parties</i>	<i>293</i>	<i>205</i>	<i>88</i>

The item *Payables to employees* includes payables for wages to be paid, pay in lieu of vacation, expense reports to be reimbursed and bonuses to be paid.

### 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 income, advances and thus prepaid trade amounts, the gross amount due to customers 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 € 53,474 thousand at 30 June 2020 (of which € 194 thousand due to related parties), and can be broken down as follows:

€ '000s	31/12/2019	Decreases in revenues 1st Half 2020	Increases	Reclassifications	Change in scope	30/06/2020
Non-current contract liabilities	8,180	0	3,480	-2,434	0	<b>9,226</b>
Current contract liabilities	37,722	-24,670	28,173	2,434	589	<b>44,247</b>
<b>Contract liabilities</b>	<b>45,902</b>	<b>-24,670</b>	<b>31,652</b>	<b>0</b>	<b>589</b>	<b>53,474</b>

### 33. DEFERRED INCOME

The item *Deferred income* totalled € 1,270 thousand (€ 1,818 thousand at 31 December 2019) and primarily includes deferrals for government grants.

### Information on the Comprehensive Income Statement

Compared to the First Half 2019, consolidated economic data in First Half 2020 include the balances for the first half of PrivacyLab (*Innovation & Marketing Services* segment) which was consolidated from 1 January 2020.

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.

### 34. REVENUES

In First Half 2020, *Revenues* totalled € 123,817 thousand (€ 126,592 thousand in First Half 2019). Revenues decreased compared to the same period last year by -2.2%, of which -2.7% attributable to workforce downsizing and +0.5% due to the change in the scope of consolidation.

€ '000s	six-month period closed at 30 June		
	2020	2019	Change
Revenues from sales and services	122,445	125,370	-2,925
Other revenues and income	1,372	1,221	151
<b>Revenues</b>	<b>123,817</b>	<b>126,592</b>	<b>-2,774</b>
<i>of which vs. related parties</i>	78	20	58
<i>of which non-recurring</i>	74	0	74

Breakdown of revenues by business segment:

€ '000s	Digital Trust		Credit Information & Management		Innovation & Marketing Services		Other sectors (Holding costs)		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Segment revenues	55,433	51,949	35,273	38,068	33,700	36,961	1,060	556	125,466	127,535
Intra-segment revenues	337	204	236	156	15	27	1,060	556	1,648	943
<b>Revenues from third parties</b>	<b>55,096</b>	<b>51,745</b>	<b>35,037</b>	<b>37,912</b>	<b>33,685</b>	<b>36,935</b>	<b>0</b>	<b>0</b>	<b>123,817</b>	<b>126,592</b>

#### *Revenues from sales and services*

This item includes Revenues from contracts with customers. A summary table providing the breakdown of revenues from sales and services recognised during the year by business segment, geographic area and type of product or service follows:

€ '000s	1st Half 2020				1st Half 2019			
	Digital Trust	Credit Information & Management	Innovation & Marketing Services	Total	Digital Trust	Credit Information & Management	Innovation & Marketing Services	Total
Italy	51,074	34,880	32,424	118,379	48,427	37,633	35,647	121,707
EU	3,144	41	507	3,693	2,637	86	604	3,327
Non-EU	281	69	24	374	229	102	5	336
<i>Total by geographical area</i>	<i>54,499</i>	<i>34,990</i>	<i>32,956</i>	<b>122,445</b>	<i>51,293</i>	<i>37,821</i>	<i>36,256</i>	<b>125,370</b>
Digital Trust products	25,837			25,837	24,666			24,666
Digital Trust solutions	15,947			15,947	12,935			12,935
Data distribution platforms, software and electronic services	12,715			12,715	13,692			13,692
Business information and credit recovery		24,065		24,065		23,587		23,587
Real estate information and real estate appraisal services		10,925		10,925		14,234		14,234
Marketing consulting			6,241	6,241			9,345	9,345
Innovation consulting			19,601	19,601			23,168	23,168
Other innovation services			7,114	7,114			3,742	3,742
<i>Total by type of product/service</i>	<i>54,499</i>	<i>34,990</i>	<i>32,955</i>	<b>122,445</b>	<i>51,293</i>	<i>37,821</i>	<i>36,256</i>	<b>125,370</b>

### Other revenues and income

€ '000s	six-month period closed at 30 June		
	2020	2019	Change
Government grants	1,043	1,000	43
Capital gains on the sale of assets	46	1	45
Rental income on investment property	23	16	7
Other	260	204	55
<b>Other revenues and income</b>	<b>1,372</b>	<b>1,221</b>	<b>151</b>
<i>of which non-recurring</i>	<b>74</b>	<b>0</b>	<b>74</b>

Other revenues and income amounted to € 1,372 thousand (€ 1,221 thousand in First Half 2019). During the first half, *Non-recurring revenues* were recorded for € 74 thousand, relating to insurance indemnities on non-recurring costs recognised in previous years.

### 35. COSTS OF RAW MATERIALS

*Costs of raw materials* in First Half 2020 amounted to € 4,515 thousand (€ 3,415 thousand in First Half 2019) and refer almost entirely to the *Digital Trust* Business Unit, mainly including the amounts relating to the purchase of IT products intended for resale to customers. *Costs of raw materials* were up 32.2% compared to the same period of the prior year.

€ '000s	six-month period closed at 30 June		
	2020	2019	Change
Hardware, software	4,567	3,416	1,152
Change in inventories of raw and ancillary materials, consumables and goods	-53	-1	-52
<b>Costs of raw materials</b>	<b>4,515</b>	<b>3,415</b>	<b>1,100</b>

### 36. SERVICE COSTS

In First Half 2020, *Service costs* totalled € 39,905 thousand (€ 40,731 thousand in First Half 2019). *Service costs* decreased by -2.0% compared to the same period last year, of which -2.3% attributable to workforce downsizing and +0.3% to the change in the scope of consolidation.

€ '000s	six-month period closed at 30 June		
	2020	2019	Change
Technical services	16,231	16,077	154
Purchase of access to databases	5,893	7,044	-1,151
Specialist professional services	2,482	1,497	985
Costs for use of third-party assets	2,549	1,979	570
Advertising, marketing and communication	2,202	1,971	231
Help desk services	1,955	1,251	704
Maintenance costs	1,550	1,817	-268
IT structure costs	1,184	366	819
Costs for agent network	1,109	1,540	-431
Consultancy	846	1,424	-579
Network and connectivity costs	840	983	-143
Travel, assignments, and lodging expenses	783	1,899	-1,116
Utilities and telephone costs	632	584	48
Banking costs	462	485	-23
Insurance	330	295	35
Independent auditors' fees for audit and other services	211	215	-4
Statutory auditors' fees	212	199	12
Other service costs	2,101	2,244	-143
Capitalised service costs	-1,667	-1,140	-527
<b>Service costs</b>	<b>39,905</b>	<b>40,731</b>	<b>-827</b>
<i>of which vs. related parties</i>	<i>802</i>	<i>502</i>	<i>300</i>
<i>of which non-recurring</i>	<i>526</i>	<i>755</i>	<i>-230</i>

*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 € 8,619 thousand relating to the *Digital Trust* segment (€ 6,789 thousand in First Half 2019), € 4,706 thousand to the *Credit Information & Management* segment (€ 5,799 thousand in First Half 2019) and € 2,906 thousand relating to the *Innovation & Marketing Services* segment (€ 3,489 thousand in First Half 2019).

*Specialist professional services* include € 507 thousand in non-recurring charges linked to acquisitions of target companies.

*Costs for use of third-party assets* at 30 June 2020 include € 2,363 thousand in software lease instalments and licences (€ 1,693 thousand in First Half 2019), € 182 thousand in property and vehicle lease instalments for which the lease term is less than 12 months, and € 3 thousand in instalments on low value assets.

### 37. PERSONNEL COSTS

Personnel costs totalled € 40,239 thousand (€ 44,593 thousand in First Half 2019). Personnel costs decreased by 9.8% compared to the previous year, of which 10.0% attributable to workforce downsizing and +0.3% to the change in the scope of consolidation.

€ '000s	six-month period closed at 30 June		
	2020	2019	Change
Wages and salaries	27,680	28,043	-364
Social security contributions	8,468	8,361	108
Employee severance indemnity	1,748	1,804	-55
Retirement incentives	170	523	-353
Provisions for stock options	39	3,293	-3,255
Other personnel costs	1,284	1,498	-214
Capitalised personnel costs	-1,651	-1,394	-257
Directors' fees	2,232	2,130	101
Ongoing partnerships	270	334	-64
<b>Personnel costs</b>	<b>40,239</b>	<b>44,593</b>	<b>-4,354</b>
<i>of which non-recurring</i>	<i>0</i>	<i>239</i>	<i>-239</i>

Table indicating the number of employees at 30 June 2020 and the average number of employees in First Half 2020 compared with the figure for First Half 2019:

Number of employees	30/06/2020	Average number in six-month period closed at 30 June	
		2020	2019
Senior Management	42	42	35
Middle Management	183	176	173
Employees	1,114	1,090	1,074
<b>Total</b>	<b>1,339</b>	<b>1,308</b>	<b>1,282</b>

Despite the increase in the average number of employees compared to the first half of the previous year, Personnel costs reduced primarily because of the significant decrease in stock option costs for € -3,255 thousand. Costs for First Half 2020 refer to the 2020-2022 Stock Option Plan. In the same period of the previous year, the costs instead referred to the Virtual Stock Option Plan concluded in 2019. The decrease in Personnel costs was also affected by the higher use of leave (for around € 600 thousand compared to the same period in the previous year) and, in part, by the recourse to social shock absorbers in response to restrictions imposed by the COVID-19 pandemic (with a benefit of approximately € 600 thousand).

Capitalised personnel costs refer for € 680 thousand to Capitalised costs for fulfilling contract obligations incurred by Digital Trust in order to implement "ad hoc" customer platforms offering use of a series of services over more than twelve months, and for costs sustained for the provision of consulting services, primarily relating to innovation consulting in Innovation & Marketing Services, for which the relative revenue has not yet been recognised. The additional capitalised costs refer to software development activities, in particular in Digital Trust.

### Information on the 2020-2022 Stock Option Plan

On 23 June 2020, after obtaining the opinion of the Remuneration Committee, the Board of Directors resolved to allocate options to implement the long-term incentive scheme known as the “2020-2022 Stock Option Plan” (hereinafter also “Plan”), as approved by the Shareholders' Meeting on 28 April 2020. In particular, among the executive directors, executives with strategic responsibilities and/or other employees and managerial roles in the Company and/or subsidiaries, the Board of Directors has identified 29 beneficiaries to whom a total of 1,670,000 options have been allocated. The options offer the right to purchase and, if appropriate, subscribe Company Shares in the ratio of 1 Share for every 1 option exercised. The Plan envisages only one option allocation cycle with a vesting period of 36 months from the date the options are allocated to beneficiaries. Exercise of the options is subordinated to achieving EBITDA in the financial statements at 31 December 2022 of  $\geq 80\%$  of the approved budget value. If EBITDA proves to be between  $\geq 80\%$  and  $\geq 100\%$ , the option vesting will be proportionate. The Vested Options can be exercised at the end of a 36-month Vesting Period starting from the Allocation Date. The exercise price is established as € 10.97367, based on the arithmetic mean of official prices recorded by the Company's Shares on the MTA market in the half year prior to the option allocation date. Further details of the Plan can be found in the Information Document already disclosed to the public pursuant to Art. 114-bis, Italian Legislative Decree no. 58 of 24 February 1998 (the “Consolidated Law on Finance”) and Art. 84-bis, paragraph 1 of the Issuers' Regulation, in the Corporate Governance/Shareholders' Meeting/2020 section of the Company's web site ([www.tinexta.com/assemblea-azionisti-2020](http://www.tinexta.com/assemblea-azionisti-2020)), which will be updated in compliance with the provisions of Art. 84-bis, paragraph 5 of the Issuers' Regulation.

In application of IFRS 2, the option rights underlying the Plan were measured at fair value at the time of assignment.

At the allocation date, 23 June 2020, the fair value of each option right was € 3.463892. The fair value of the options assigned was calculated by an independent expert, reflecting the “no arbitrage” and “risk neutral framework” characteristics common to the basic pricing models for options, by means of the calculation parameters indicated below:

- risk-free rate curve obtained from market IRS rates at the measurement date;
- expected dividends: 2%;
- share price volatility: 40%;
- annual probability of beneficiary exits: 3%.

The accrued cost recognised at 30 June 2020 for the aforementioned plan, under *Personnel costs*, was € 39 thousand.

### 38. CONTRACT COSTS

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

€ '000s	six-month period closed at 30 June		
	2020	2019	Change
Contract obtainment costs	2,428	3,208	-780
Contract fulfilment costs	1,404	983	421
<b>Contract costs</b>	<b>3,831</b>	<b>4,191</b>	<b>-359</b>

### 39. OTHER OPERATING COSTS

*Other operating costs* totalled € 915 thousand (€ 1,293 thousand in First Half 2019), of which € 1 thousand with respect to related parties. The item decreased by -29.2% compared to the previous year, of which -29.9% attributable to workforce downsizing and +0.6% 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 (€ 223 thousand) and membership fees, donations and gifts (amounting to € 202 thousand).

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

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

€ '000s	six-month period closed at 30 June		
	2020	2019	Change
Depreciation of property, plant and equipment	3,372	3,329	43
<i>of which leased</i>	1,977	1,677	300
Amortisation of intangible assets	7,136	6,392	744
Depreciation of investment property	13	9	4
<b>Amortisation and depreciation</b>	<b>10,521</b>	<b>9,730</b>	<b>791</b>
<b>Provisions</b>	<b>360</b>	<b>132</b>	<b>229</b>
<b>Impairment</b>	<b>1,878</b>	<b>1,158</b>	<b>720</b>

*Amortisation and depreciation* in First Half 2020 amounted to € 10,521 thousand (€ 9,730 thousand in 2019), of which € 3,372 thousand referring to *Property, plant and equipment* (€ 1,977 thousand on rights of use), € 7,136 thousand to *Intangible assets*, and € 13 thousand to *Investment property*. For further details regarding the breakdown of amortisation and depreciation, reference is made to Notes 13, 14 and 15.

The nature of *Provisions* for the period is indicated in Note 28. *Provisions*.

The *Impairment* for the period (€ 1,878 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)

*Net financial charges* totalled € 419 thousand (€ 1,269 thousand in First Half 2019).

€ '000s	six-month period closed at 30 June		
	2020	2019	Change
Financial income	951	226	725
<i>of which non-recurring</i>	710	148	562
Financial charges	1,370	1,494	-124
<i>of which vs. related parties</i>	22	284	-263
<b>Net financial income (charges)</b>	<b>-419</b>	<b>-1,269</b>	<b>849</b>

## Financial income

€ '000s	six-month period closed at 30 June		
	2020	2019	Change
Positive adjustment to the fair value of contingent consideration	161	0	161
Exchange gains	42	17	25
Income on financial assets at amortised cost	18	19	-1
Positive adjustment to financial instruments at fair value	13	26	-12
Bank and postal interest	7	3	4
Income on derivatives	0	0	0
Other financial income	710	160	549
<b>Financial income</b>	<b>951</b>	<b>226</b>	<b>725</b>
<i>of which non-recurring</i>	<i>710</i>	<i>148</i>	<i>562</i>

The *Positive adjustment to the fair value of contingent consideration* reflects the adjustment to the price paid to selling shareholders of Warrant Hub S.p.A. in 2020. Details are provided in Note 30. *Financial liabilities*.

*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., now Creditreform GPA Ticino S.A.

The *Positive adjustment to financial instruments at fair value* is related to insurance capitalisation contracts, as per Notes 17 and 23.

*Other financial income* included € 710 thousand for the rescheduling of two financings in the period (for details see Note 30. *Financial liabilities*).

## Financial charges

€ '000s	six-month period closed at 30 June		
	2020	2019	Change
Interest expenses on bank loans	711	500	211
Amortised cost adjustment on bank loans	329	255	74
Interest expenses on leases	152	190	-38
Charges on hedging derivatives	99	62	36
Interest expenses on payment deferrals	62	79	-17
Exchange losses	17	34	-17
Other interest expenses	1	6	-5
Interest expenses to Controlling Shareholder for loans	0	245	-245
Negative adjustment to the fair value of contingent consideration	0	119	-119
Negative adjustment to financial instruments at fair value	0	3	-3
<b>Financial charges</b>	<b>1,370</b>	<b>1,494</b>	<b>-124</b>
<i>of which vs. related parties</i>	<i>22</i>	<i>284</i>	<i>-263</i>

The increase in *Interest expenses on bank loans* reflected the increase in bank debt compared to the same period of the previous year. The total financial charges for the period attributable to bank loans also included € 329 thousand for charges accrued by applying the effective interest criterion, and € 99 thousand for *Charges on hedging derivatives* (the ineffective component amounted to € 4 thousand and related to the Time Value component on the options pursuant to Note 25. *Derivative financial instruments*).



## 42. INCOME TAXES

Income taxes for First Half 2020, amounting to € 5,334 thousand, can be broken down as follows:

€ '000s	six-month period closed at 30 June		
	2020	2019	Change
IRES	5,735	5,694	41
IRAP	1,506	1,398	107
Current foreign taxes	26	32	-6
Deferred tax liabilities	-970	-1,088	118
Deferred tax assets	415	175	240
Income taxes related to previous years	-1,137	-132	-1,005
Income from tax consolidation	-241	0	-241
<b>Income taxes</b>	<b>5,334</b>	<b>6,079</b>	<b>-746</b>
<i>of which non-recurring</i>	<i>-1,018</i>	<i>-483</i>	<i>-535</i>

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 recognition of business combinations at fair value, as better detailed in Note 18. *Deferred tax assets and liabilities*.

*Non-recurring components* include the tax effect on non-recurring components of *Profit before tax* (amounting to € 128 thousand between IRES and IRAP) as well as *Income taxes related to prior years* of € 723 thousand, deriving from the elimination of the payment of 2019 IRAP balance as per Italian Law Decree 34/2020 (the “Relaunch Decree”), and the “Patent Box” benefit for 2019 (€ 367 thousand).

### Additional information

## 43. EARNINGS PER SHARE

Basic earnings per Share are calculated by dividing Group net profit for the period by the weighted average number of ordinary shares outstanding during the period, considering purchases and sales of Treasury Shares as share cancellations and issues, respectively.

The earnings (loss) per Share was calculated as follows:

	six-month period closed at 30 June	
	2020	2019
Group Net Profit (thousands of €)	15,785	13,758
Weighted average number of outstanding Ordinary Shares	47,122,535	46,890,120
Basic earnings per Share (€)	0.33	0.29

The diluted earnings per share for 2020 is obtained by dividing Group net profit for the year by the weighted average number of outstanding Shares during the year, adjusted for the dilutive effects of weighted average of Shares based on the period in which they are outstanding. In the outstanding Shares calculation, purchases and sales of Treasury Shares were considered cancellations and issues of Shares, respectively. The categories of potential Ordinary Shares derive from the possible conversion of stock options assigned to Group directors and employees. The average fair value of Shares in the period was used to calculate the average number of potential shares outstanding.

	<i>six-month period closed at 30 June</i>	
	2020	2019
Group Net Profit (thousands of €)	15,785	13,758
Diluted weighted average number of Shares	47,127,898	47,106,839
Diluted earnings per Share (€)	0.33	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.

The following table summarises all equity balances and the impact on related items of the Statement of Financial Position at 30 June 2020, with comparative figures at 31 December 2019:

30/06/2020									
€ '000s	Non-current financial assets	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			6	20	367		70	212	
Associated companies				99		34		81	160
Other Related Parties		12		27	800		514		
<b>Total related parties</b>	<b>0</b>	<b>12</b>	<b>6</b>	<b>146</b>	<b>1,167</b>	<b>34</b>	<b>584</b>	<b>293</b>	<b>160</b>
<b>Total financial statement item</b>	<b>1,181</b>	<b>6,617</b>	<b>251</b>	<b>88,330</b>	<b>113,601</b>	<b>9,226</b>	<b>43,091</b>	<b>51,433</b>	<b>44,247</b>
% Incidence on Total	0.0%	0.2%	2.3%	0.2%	1.0%	0.4%	1.4%	0.6%	0.4%
31/12/2019									
€ '000s	Non-current financial assets	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		322	20	399		69	130	
Associated companies				247		81		45	123
Other Related Parties					1058		509	30	
<b>Total related parties</b>	<b>8</b>	<b>0</b>	<b>322</b>	<b>267</b>	<b>1,458</b>	<b>81</b>	<b>578</b>	<b>205</b>	<b>123</b>
<b>Total financial statement item</b>	<b>1,149</b>	<b>6,593</b>	<b>756</b>	<b>89,775</b>	<b>107,039</b>	<b>8,180</b>	<b>62,001</b>	<b>54,953</b>	<b>37,722</b>
% Incidence on Total	0.7%	0.0%	42.7%	0.3%	1.4%	1.0%	0.9%	0.4%	0.3%

*Financial liabilities* include the property lease payable due to the Controlling Shareholder Tecno Holding S.p.A. (€ 437 thousand) and other Group related parties (€ 1,314 thousand).

The table below summarises all economic transactions and the incidence on the associated items of the Income Statement in First Half 2020 and the relative comparative balances in First Half 2019:

six-month period closed at 30 June 2020				
€ '000s	Revenues	Service costs	Other operating costs	Financial charges
Controlling Shareholder		189		6
Associated companies	77	609		
Other Related Parties		4	1	15
<b>Total related parties</b>	<b>78</b>	<b>802</b>	<b>1</b>	<b>22</b>
<b>Total financial statement item</b>	<b>123,817</b>	<b>39,905</b>	<b>915</b>	<b>1,370</b>
% Incidence on Total	0.1%	2.0%	0.1%	1.6%
six-month period closed at 30 June 2019				

€ '000s	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>
% Incidence on Total	0.0%	1.2%	0.0%	19.0%

*Service costs to the Controlling Shareholder* refer mainly to service contracts in place for offices used by the Parent Company and RE Valuta S.p.A., as well as to personnel seconded to the Parent Company. *Financial charges to the Controlling Shareholder* refer to interest accrued on property lease agreements.

#### 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 2020 is provided below:

€ '000s	30/06/2020	of which vs. related parties	31/12/2019	of which vs. related parties
A Cash	36,151		33,586	
B Cash equivalents	11		14	
C Securities held for trading	0		0	
<b>D Liquid assets (A+B+C)</b>	<b>36,161</b>		<b>33,600</b>	
<b>E Current financial receivables</b>	<b>6,622</b>		<b>6,609</b>	
F Current bank debt	-284		-2,952	
G Current portion of non-current debt	-17,835		-23,752	
H Other current financial debt	-24,989	-584	-35,342	-578
<b>I Current financial debt (F+G+H)</b>	<b>-43,108</b>		<b>-62,046</b>	
<b>J Net current financial indebtedness (D+E+I)</b>	<b>-324</b>		<b>-21,837</b>	
K Non-current bank debt	-99,428		-90,552	
L Bonds issued	0		0	
M Other non-current financial debt	-14,846	-1,167	-16,749	-1,458
<b>N Non-current financial debt (K+L+M)</b>	<b>-114,273</b>		<b>-107,301</b>	
<b>O Net financial position (indebtedness) (J+N)</b>	<b>-114,597</b>		<b>-129,138</b>	

#### 46. KEY EVENTS SUBSEQUENT TO THE END OF THE FIRST HALF

The Treasury Share purchases continued beyond 30 June. At the date of the Board of Directors Meeting (which approved this report, 4 August) the Parent Company holds 857,014 Treasury Shares, equal to 1.815% of the share capital, for a total purchase value of € 10,001 thousand.

On **31 July 2020**, Tinexta S.p.A. signed a loan agreement with the Intesa Sanpaolo Group to reschedule a previous loan with a nominal residual value of € 46.6 million, envisaging the disbursement of € 50 million at a lower interest rate and extending the due date from 31 December 2025 to 30 June 2026. The agreement foresees an additional credit facility for € 30 million, usable in one or more tranches by 21 December 2020.

On **3 August 2020**, pursuant to the purchase contract signed on 30 November 2017, option rights were exercised on the remaining 9.75% of Warrant Hub S.p.A. share capital, with Tinexta S.p.A. thereby achieving complete ownership of the company. The consideration was set at € 14,839 thousand. The transaction was financed by using € 12 million of the loan concluded with BNL - BNP Paribas Group on 20 December 2019 and from own funds for the remainder.

## 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 2020.

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.

Rome, 4 August 2020

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 2020. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

### Scope of Review

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

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

Ancona Asolo Bari Bergamo  
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Lecce Milano Napoli Novara  
Padova Palermo Parma Perugia  
Pescara Roma Torino Trieste  
Trento Varese Verona

Sede e per azioni  
Capitale sociale  
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*Tinexta Group*  
*Report on review of condensed interim consolidated financial statements*  
*30 June 2020*

### **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 2020 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, 5 August 2020

KPMG S.p.A.

(signed on the original)

Arrigo Parisi  
Director of Audit