Annual Report 2020

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

openjobmetis

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Annual Report 2020

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CORPORATE INFORMATION

Openjobmetis S.p.A.
Auth. Prot. No. 1111-SG of 26/11/2004

Registered Office
Via G. Fara 35 – 20124 Milan

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

Legal Information
Approved and subscribed share capital: EUR 13,712,000
Registered in the Milan Register of Companies under tax code 13343690155

Website
www.openjobmetis.it

Professional.
Personal.

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LETTER TO THE SHAREHOLDERS

Dear Shareholders,

With 2020, Openjobmetis has closed its fifth year since being listed on the STAR segment of the stock exchanged managed by Borsa Italiana. During this five-year period, the Company has achieved challenging goals and undertaken significant and bold initiatives, but it was the unexpected events of this past year that constituted the greatest of all the challenges that our Group, and probably all our employees, have ever had to face.
After the first two months of the year in which the Company recorded a significant recovery compared to 2019 revenue, we found ourselves having to focus first and foremost on our health and that of our employees. At the same time, the Group's cohesive and aligned Top Management has worked to secure the company's operations, implementing a remote work plan in a very effective and efficient manner. In a very short time, we have equipped ourselves with the best software and hardware infrastructures and the best sharing and communication platforms on the market, and this choice has proved to be a winner.
In 2020, Openjobmetis revenue amounted to EUR 517 million, compared with EUR 565 million in 2019. The change was moderate, at 8.6%, in correlation with the trend of Italian GDP, but it is worth noting that in the last part of the year revenue was in fact in line with that of 2019 (-0.7% in the last quarter) despite the increase in Coronavirus infections in the autumn months and the consequent measures launched by the Government in order to contain the pandemic. EBITDA stood at around EUR 14.9 million (compared to EUR 23.5 million in 2019) while Net profit was EUR 23.6 million (compared to EUR 10.4 million in 2019). Considering the difficult context in which we have been operating, we can only be satisfied with these results, which were also achieved through the adoption of a significant cost containment plan launched to deal with the impacts of the Covid-19 emergency. The actions taken include the unconditional and irrevocable waiver by all the beneficiaries in the Management team of the right to exercise the options accrued of EUR 441 thousand, relating to the 2017 tranche of the Phantom Stock Option plan.

In 2020, we also completed some interesting acquisitions: Jobdisabili S.r.l. in January and Lyve S.r.l. in November, which further increase the HR services offer, complementing the contract work offer of the parent company OJM. During the second half of 2020, we also successfully continued the negotiations concluded at the end of January 2021 with the signing of an agreement for the acquisition of 100% of the Quanta Group, the leading Employment Agency, acquired through the listing of Openjobmetis S.p.A.

With this acquisition, we have consolidated our positioning on the market and further strengthened the foundations of our future growth strategy, continuing our firm commitment to our main goals of creating value for shareholders and meeting the expectations of all our stakeholders.

The Chairman

Marco Vittorelli

(signed on the original)

CORPORATE BODIES

The Ordinary Shareholders' Meeting, convened on 24 April 2018, appointed the new Board of Directors and the new Board of Statutory Auditors for 2018-2020.

Board of Directors[1]

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

Board of Statutory Auditors

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

Committees

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

2 Independent Director

Control and Risk Committee	Alberto Rosati (Chairman) [2] Giovanni Fantasia[2] Daniela Toscani
Remunerations Committee	Alberica Brivio Sforza (Chairperson) [2] Alberto Rosati[2] Daniela Toscani
Related Parties Committee	Alberica Brivio Sforza (Chairperson) [2] Giovanni Fantasia[2] Alberto Rosati[2]
ESG Committee	Carlo Gentili[2] (Chairman) Biagio La Porta Daniela Toscani

* * *

Manager responsible for the corporate financial documents	Alessandro Esposti

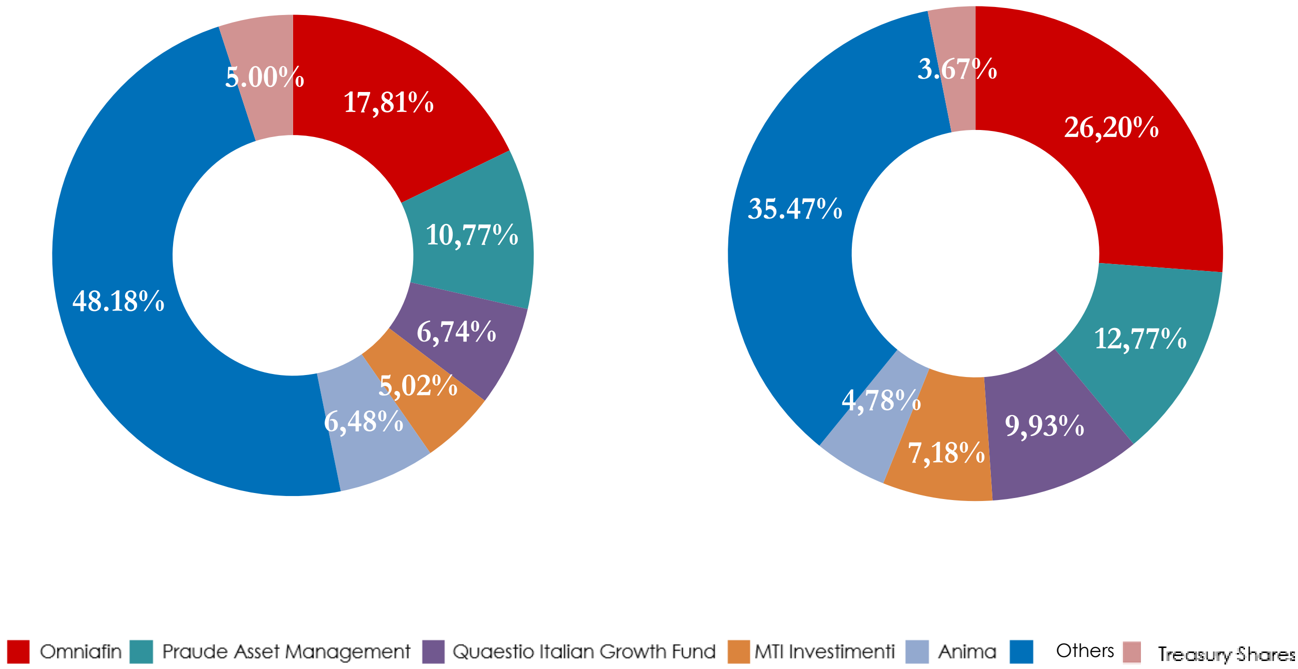
* * *

Independent Auditors[3]	KPMG S.p.A.

3 In office until 31/12/2023

STRUCTURE OF THE GROUP[4]

Percentage of Share Capital **Percentage of Voting Rights**

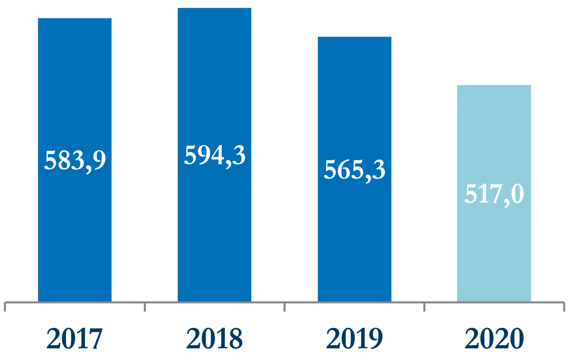


[4] Share capital structure and voting rights as at 31 December 2020 on the basis of the information received pursuant to articles 120 and 122 of the Consolidated Law on Finance; Group structure as at 31 December 2020

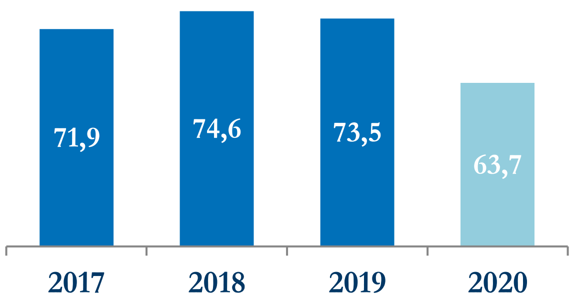
DIRECTORS' REPORT
ON OPERATIONS

Highlights (in millions of EUR)

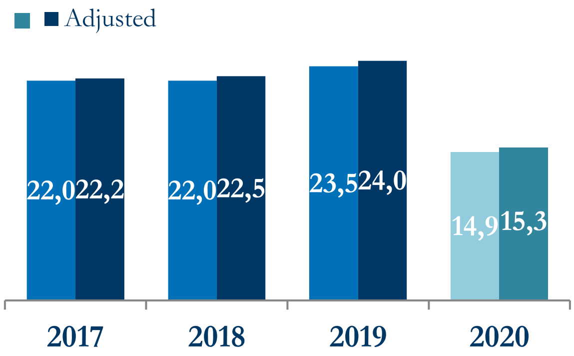
Revenue



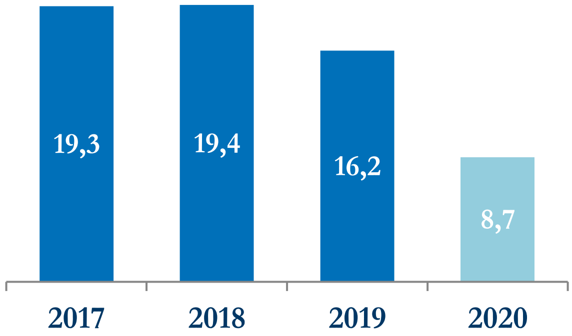
First contribution margin



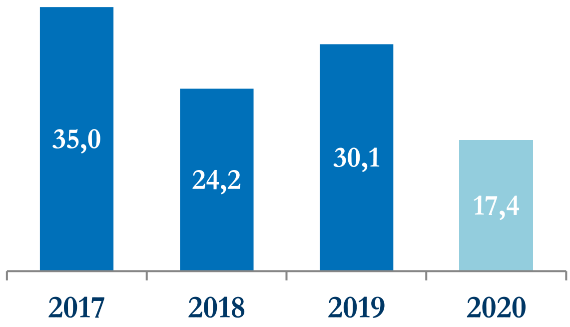
EBITDA



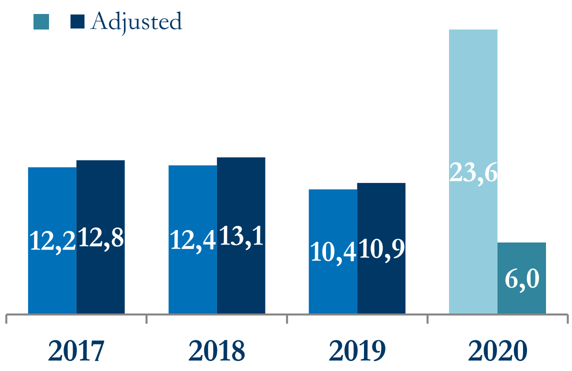
Adjusted EBITA



Net Financial Indebtedness (NFI)



Profit for the year



Notes: the adjusted values are calculated as indicated in the section "Trends in key financial and operating indicators – alternative performance indicators"

Where not specified, the data are to be considered "Reported"; IFRS 16 was adopted in 2019

Trends in key financial and operating indicators – alternative performance indicators

Income Statement indicators	2020		2019		2018		2017		Δ 20 vs. 19	
	EUR	%	EUR	%	EUR	%	EUR	%	EUR	%
First contribution margin (millions/margin) (1)	63.7	12.3%	73.5	13.0%	74.6	12.5%	71.9	12.3%	(9.7)	(13.3%)
EBITDA (millions/margin) (2)	14.9	2.9%	23.5	4.2%	22.0	3.7%	22.0	3.8%	(8.6)	(36.6%)
Adjusted EBITDA (millions/margin) (3)	15.3	3.0%	24.0	4.2%	22.5	3.8%	22.2	3.8%	(8.7)	(36.3%)
EBITA (millions/margin) (4)	8.3	1.6%	15.6	2.8%	18.9	3.2%	19.1	3.3%	(7.3)	(46.8%)
Adjusted EBITA (millions/margin) (5)	8.7	1.7%	16.2	2.9%	19.4	3.3%	19.3	3.3%	(7.4)	(46.0%)
Net profit (loss) for the year (millions/margin)	23.6	4.6%	10.4	1.8%	12.4	2.1%	12.2	2.1%	13.2	127.2%
Adjusted net profit (loss) for the year (millions/margin) (6)	6.0	1.2%	10.9	1.9%	13.1	2.2%	12.8	2.2%	(4.9)	(45.3%)

Other indicators	2020	2019	2018	2017	Δ 20 vs. 19	
					Value	%
Net financial indebtedness (EUR million) (7)	17.4	30.1	24.2	35.0	(12.7)	(42.3%)
Net financial indebtedness/EBITDA	1.2	1.3	1.1	1.6	(0.1)	(8.9%)
Number of shares (thousand)	13,712	13,712	13,712	13,712	0	0.0%
Net earnings (loss) per share outstanding* (EUR)	1.81	0.79	0.93	0.89	1.0	130.4%
Adjusted net earnings (loss) per share outstanding* (EUR)	0.46	0.83	0.98	0.93	(0.37)	(44.5%)
ROE – Net profit (loss)/average equity (%)	21.0%	10.4%	13.4%	14.9%	10.6%	101.4%
Average no. of days to collect trade receivables (days) (8)	76	74	70	76	2	2.7%

* *The average number of shares is calculated net of treasury shares purchased following the buy-back programme, as described in more detail in point 19 of the Notes to the consolidated financial statements, to which reference is made.*

The alternative performance indicators (APIs) used are defined below. Their composition and the reconciliation with the data reported in the consolidated financial statements (reported figures) are shown in the table "Analysis of the operating performance of the Openjobmetis Group for the year 2020".

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

(2) EBITDA is calculated as Profit (loss) for the year before income taxes, net financial expense, amortisation/depreciation, provisions and impairment losses.

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

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

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

(6) Adjusted Profit (loss) for the year is calculated as Adjusted Profit (loss) for the year before charges mainly relating to consultancy and due diligence costs for potential acquisitions, financial expense related to the early settlement of a loan and amortisation of customer relations (as indicated in the following pages of this report), and net of the related tax effect.

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

(8) Average number of days to collect trade receivables: trade receivables/revenue from sales * 360.

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

The alternative performance indicators (APIs) listed above are used in this document. These are not identified as accounting measures under IFRS, therefore the quantitative determination thereof may not be unique. The determination criteria applied by the Group for these indicators may not be consistent and comparable with those determined by other operators.

General economic scenario[5]

Real economy and financial market trends

The general economic situation in 2020 was clearly influenced by the effects of the Covid-19 pandemic that began spreading across Italy from the end of February. The quarterly income statements published by ISTAT relating to Italian GDP recorded a declining trend starting from the first quarter (-5.3% compared to the previous quarter and -5.4% compared to the first quarter of 2019). The decrease in GDP continued to gather pace in the second quarter of the year (-12.8% compared to the previous quarter and -17.7% compared to the second quarter of 2019), but a strong recovery was then observed in the third quarter compared to the second quarter, higher than the European average and equal to +15.9%, remaining however below GDP for the same period of 2019 (-5.0%).
Preliminary estimates for the fourth quarter of 2020 indicated an economic downturn, equal to 2%, and a slowdown of 6.6%. After the robust recovery in the third quarter of the year, the Italian economy recorded a new contraction in the last quarter of 2020 due to the new restrictions imposed by the Government to contain the spread of the virus following the increase in infections in the autumn. As in the second quarter, the change was due to a decline in all the main production sectors and a contraction in domestic and foreign demand.
ISTAT estimated a reduction in GDP of 8.9% in 2020 compared to the previous year, mainly due to the impacts of the pandemic. Lastly, it should be noted that for 2021 GDP estimates indicate an increase of 4.9% (Consensus as at December 2020, source: Bank of Italy).

The GDP trend in other European countries, affected in turn by the Covid-19 pandemic, was similar to Italy. Eurozone figures show that the sharp decline (-15%) in the first part of the year was offset by a strong recovery in the third quarter (+12.5% compared to the previous quarter). However, no European economy has seen GDP return to levels equal to or higher than those prior to the onset of the pandemic. Lastly, just as in Italy, indicators show a contraction in GDP in the fourth quarter of the year due to the fresh wave of infections and the consequent containment measures imposed by governments.

As in the real economy, the financial markets also suffered the heavy impacts of the pandemic, after a record-breaking 2019. In 2020, there was a decrease in the FTSE All Share index of 5.3% and the FTSE Mib index of 5.2%. However, at the same time, there was double-digit growth in the FTSE Italia STAR index, the segment to which Openjobmetis S.p.A. belongs, equal to 13.7% year on year.

[5] Sources: ISTAT, Bank of Italy and Italian Stock Exchange

The total capitalisation of the companies listed on the markets of the Italian Stock Exchange amounted to EUR 607 billion, a decrease of 6.8% compared to 2019.

On 2 January 2020, Openjobmetis shares (OJM.MI) opened at EUR 8.80 per share, while on 30 December 2020, the last trading day for the year, they closed at EUR 7.06 per share. On 15 March 2021, the share closed at EUR 7.60 per share.

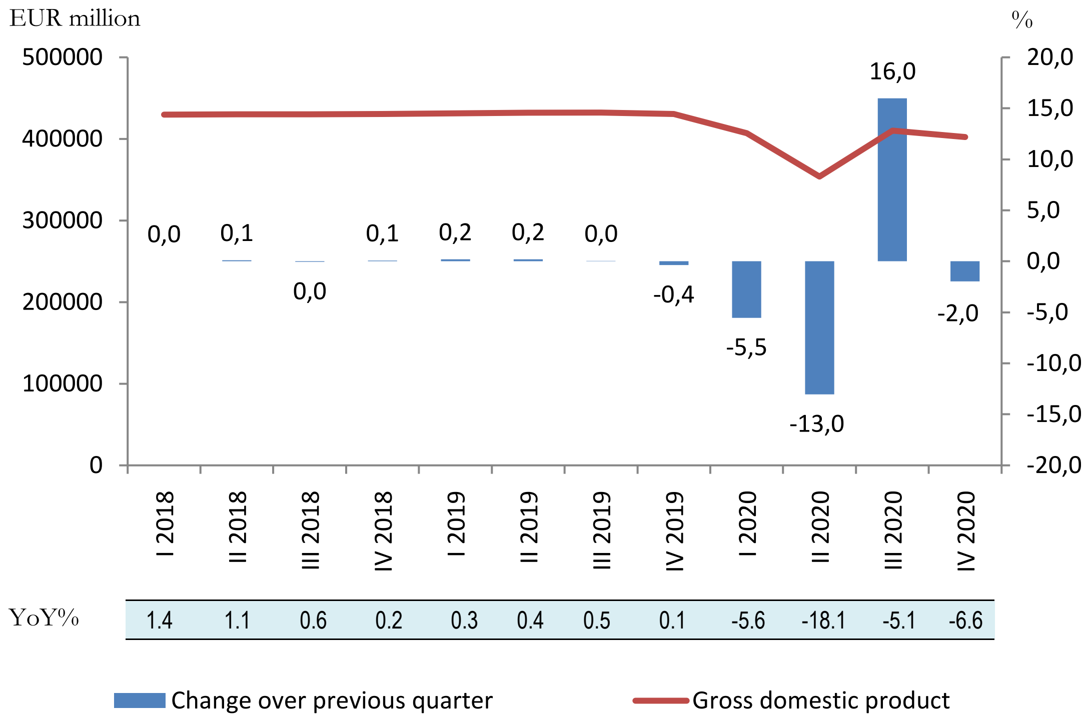


Table 1: Italian GDP trend by quarter (Source ISTAT)

The Openjobmetis Group and the labour market; The impacts of the Covid-19 pandemic and the resilience of the Openjobmetis Group

Performance of the labour market

As is to be expected, the performance of the labour market in 2020 was largely influenced by the impacts of the Covid-19 pandemic.

In the first quarter of 2020 there was already a clear decrease in employment compared with the last quarter of the previous year (-94,000 employed). During the quarter, the number of people seeking employment fell (-133,000) and at the same time the number of inactive persons increased (+192,000). In the second quarter of the year just ended, a similar trend was recorded, but with greater intensity: the drop in the number of employees was 459,000 compared to the first quarter. The category most affected was that of employees hired on a fixed-term basis (-302,000 compared to -68,000 for workers hired on permanent contracts). As a result of the above, in June the number of people in employment fell by 752,000 compared to the same month of the previous year. The third quarter of the year, which coincided with a period of lower infection levels, saw a partial recovery in employment compared to the previous quarter, which coincided with the pandemic peak (+113,000). At the same time, the number of people seeking employment increased (+379,000) and the number of inactive persons decreased (-521,000). After the summer respite, however, in the autumn there was a resurgence of the pandemic. This slowed down the recovery of employment, although there was however an increase in the number of employees in the last quarter of the year (+53,000). As a result of the above, employment recorded a lower level than in December 2019 (-444,000).

The unemployment rate in December stood at 9.0%, down compared with the same month of 2019 (9.6%), as was the youth unemployment rate, at 28.9%. The youth unemployment rate (15-24 age bracket) went against the trend, from 28.4% at the end of last year to 29.7% in December 2020.

Main regulatory aspects relating to 2020

In March 2020, the Government ordered, through a specific provision of law (Law decree no. 18 of 17 March 2020), the suspension of the union procedures aimed at collective dismissal initiated from 23 February 2020; it also prohibited the dismissal of employees for economic and/or organisational reasons, regardless of the company's employment dimension. These provisions, originally valid for only 60 days, were gradually extended until 31 March 2021.

In order to restart production activities, slowed down by the health emergency, with Law decree no. 104 of 14 August (the "August decree"), new rules were issued that were more favourable to fixed-term contracts, such as the possibility to waive the obligation to provide a reason for hiring (so-called cause), as well as some exceptions on the maximum number of extensions and on the compliance with "stop & go" (the period of time that must elapse between two renewals).

Against this backdrop, the Openjobmetis Group is one of the leading operators in the Italian contract work market, out of approximately 100 Agencies authorised by the Ministry. The Openjobmetis Group also offers personnel sourcing and selection services, *outplacement* services and training services, through a network of more than 130 branches as at 31 December 2020, spread throughout the whole of Italy, enabling it to serve customers across the entire country.

A breakdown by region shows a significant number of Agencies in the northern regions, as a result of a higher level of industrialisation. Several major international companies operate in Italy, including Adecco, Randstad and Manpower, in addition to the Italian GI Group.

In addition to performing the activities they are authorised to carry out (supply of contract work, intermediation, recruitment and selection, and professional outplacement support, depending on the specific authorisation), employment agencies may also request and obtain regional accreditation for labour services. Through these accreditations, the regions recognise a public or private operator's ability to provide labour services within reference regional domains, also through the use of public resources. Accredited bodies are enrolled in the relevant regional list and can provide the services established by the region, actively participating in the network of activities for the labour market with particular reference to links between supply and demand. The regional network of activities for the labour market is therefore composed of public employment services and private operators or other public players, with the aim of improving the functioning of the labour market itself, providing workers seeking jobs and employers with a set of qualified operators, and optimising the public and private resources available in the region. Accredited bodies may also implement labour policy measures for the labour market integration or re-integration of unemployed workers and/or particular categories of workers, as set out in the regional plan. The involvement of the accredited bodies occurs through contractual relationships with the public player (the service client) or other economic incentive tools for the implementation of public policies.

Openjobmetis S.p.A. places particular emphasis on training its contract work resources, providing four types of training: basic, professional, *on-the-job* and training for permanent contract employees. During 2020, the Company organised almost 1,500 training courses, through authorised third party institutions, for a total of approximately 6,200 participants and provided over 61,700 hours of training.

The impacts of the Covid-19 pandemic and the resilience of the Openjobmetis Group

With reference to that which was indicated by the European Securities and Markets Authority (ESMA) on 28 October 2020 (European common enforcement priorities for 2020 annual financial reports) and in previous communications, and by CONSOB, referred to in “Warnings” no. 6/20 of 9 April 2020, no. 8/20 of 16 July 2020 and no. 1/21 of 16 February 2021, Group management has implemented regular monitoring of the actual and potential impacts of the Covid-19 emergency on the Group's business activities, financial situation and economic performance. Particular focus is being given to developments in the macroeconomic scenario and the labour market, as indicated above, and credit risk and liquidity risk are undergoing specific assessments, as described in more detail below.

The impact of the Covid 19 pandemic has obviously affected the performance of the Openjobmetis Group as well: the second quarter of the year was worse affected, with a drop in revenue of approximately 28% compared to the same period of the previous year. In particular, the month of April, with a drop in revenue of more than 40% compared to the same month of 2019, which suffered the most from the effects of the pandemic, as due to the "lockdown" imposed by the Italian Government most of the production activities had to temporarily close in Italy, with the exception of the so-called "essential activities" which were allowed to continue their operations, including those undertaken by Openjobmetis S.p.A.

Starting on 4 May (from 27 April only for certain companies and districts in the manufacturing sector as well as companies in the construction sector), the Government implemented a plan to return to normality, known as Phase 2, that led to a gradual reopening of activities. In this new phase, the month of May showed a growth in revenue that reached +40% compared to April, but remained below that recorded in May 2019 (-28%). The recovery continued in June, which saw revenue grow by a further 18% compared to May (-13% compared to June 2019). The half-year ended with a 14.9% drop in revenue. From the third quarter of 2020 there was a further recovery in revenue, which continued into the last part of the year: the third quarter recorded +25.2% on the second, and the fourth quarter +11.8% on the third. In addition, in the second half of the year, the gap with respect to 2019 gradually narrowed: in July, August and September 2020, the Group's total revenue decreased by only 4.2% compared to the same months in 2019 and in the last quarter of the year, revenue was actually in line with the same period of 2019 (-0.7%), despite the ongoing complex context and the fresh wave of Covid-19 infections in the autumn months, with simultaneous measures launched by the Government to contain the pandemic. The situation described above shows that Openjobmetis has shown a consistent resilience to the economic crisis resulting from the pandemic. There are two reasons for this: a) Openjobmetis is minimally exposed to the sectors most affected by the crisis, namely tourism, Ho.Re.Ca. (Hotel, Restaurant and Catering) and logistics and transport; b) Openjobmetis S.p.A. is a generalist: by offering work to companies operating in all sectors, the Company is able to differentiate the risks (including those related to the pandemic) linked to specific sectors. Lastly, it should be noted that Family Care activities are not linked to the economic cycle: revenue in 2020 grew by more than 40% compared to the previous year. This premise, together with the considerations made later in this paragraph, leads us to believe that the pandemic and the resulting crisis will not have a structural impact on the Group's business model and the context in which it operates, since there is no uncertainty regarding business continuity, but rather the main impact will be on *momentum*.

It should also be noted that the levels of absenteeism, resulting from the pandemic effects of Covid-19, returned to normal in the second half of the year after the leap in March and April.

In order to limit the economic and financial repercussions of the pandemic and maintain profitability, starting from April 2020 Openjobmetis adopted a plan to control and contain costs, the results of which were already visible from the second quarter of the year. It should also be noted that the Group only took advantage of the Government-sponsored lay-off scheme (Cassa Integrazione Guadagni) for some subsidiaries which, due to the intrinsic characteristics of their business, could not operate during this complex phase, for example managerial training.

As at 31 December 2020, Openjobmetis benefited from the salary supplement (Trattamento di Integrazione Salariale - TIS) for contract workers for EUR 18,467 thousand, the amount of which is reimbursed by Forma.Temp and is recognised in the income statement for the period as a direct cost reduction.

With a view to making a concrete contribution to the effort made by the Company, at all levels, in dealing with the impact of the Covid-19 emergency, on 15 May 2020 all beneficiaries identified for the first tranche of the phantom stock options plan formalised an unconditional and irrevocable waiver of their right to exercise options accrued for a value of approximately EUR 441 thousand.

In relation to the lockdown months, the Group negotiated a number of reductions in the rents of properties for which, in application of the IASB amendment "Covid-19 related rent concessions – Amendment to IFRS 16", other income was recognised for EUR 256 thousand as at 31 December 2020.

In 2020, the parent took advantage of the possibility of realigning the tax value of goodwill, in accordance with article 110.8/8-bis of Law decree no. 104/2020 , with a positive effect on income taxes for a total of EUR 18.0 million (for further details, please refer to points 28 and 27 of the explanatory notes to the consolidated and separate financial statements, respectively).

The Group took into account the elements of uncertainty deriving from the spread of the Covid-19 pandemic as part of the impairment test on goodwill as at 31 December 2020, as specified in note 5 to the consolidated financial statements and note 4 to the separate financial statements. Based on the impairment test carried out, the value in use was higher than the carrying amount of the cash generating unit, and therefore no impairment losses were made as at 31 December 2020, as in previous years.

To date, there are no particular risk situations relating to the solvency of Openjobmetis Group customers compared to the pre-Covid period. This is demonstrated by the average collection times (DSO) which as at 31 December 2020 amounted to 76 days, in line with the figure at 31 December 2019 (74 days). In addition, net financial indebtedness was also down as at 31 December 2020 (EUR 17.4 million compared to EUR 30.1 million at 31 December 2019), with a positive cash flow generated by operating activities of EUR 23.1 million (EUR 15.3 million as at 31 December 2019). Nevertheless, as a precautionary measure in the first half of the year the Group decided to take out two additional 18-month loans with leading credit institutions, for a total amount of EUR 10 million which, together with the existing medium/long-term loans, would provide further protection in the event of any financial tension on the markets.

Openjobmetis S.p.A. continued to operate regularly during the year, guaranteeing normal support to user companies. Headquarters and branch activities were carried out thanks to a very efficiently implemented "agile work" plan, based on the use of digital communication and sharing platforms. The company officially reopened its offices on 18 May 2020. To safeguard the health of its employees, a detailed safety protocol was launched which envisaged, among other things: dividing up the various departments into groups to maximise social distancing, measuring body temperature upon entry to the offices, distributing disinfectant hand gel stations and separating neighbouring workspaces using Plexiglas panels. In addition, each employee was given a PPE kit consisting of masks and face shields. Employees are regularly given additional masks. Lastly, on several occasions (for example, when returning from summer and winter holidays), the Group's personnel were given the opportunity to carry out serological tests or swabs free of charge.

In relation to the purchase of PPE for the Group's personnel and for the adjustment of work spaces and related works, costs were incurred during the year for approximately EUR 150 thousand.

Operating performance and results of the Group

Analysis of the operating performance of the Openjobmetis Group for 2020

Revenue from sales for 2020 came to EUR 517.0 million, compared to EUR 565.3 million in the previous year. In 2020, operating profit (or EBIT, earnings before interest and tax) amounted to EUR 8.3 million. (EUR 15.6 million in 2019). Net profit was EUR 23.6 million compared to EUR 10.4 million in 2019.

The Group's consolidated financial figures for the years ended 31 December 2020, 2019, 2018 and 2017 are shown in the table below.

(amounts in thousands of EUR)	Financial statements for the year ended 31 December						2020/2019 Change	
	2020	**% of Revenue**	**2019**	**% of Revenue**	**2018**	**2017**	**value**	**%**
Revenue	516,985	100.0%	565,344	100.0%	594,271	583,897	(48,359)	(8.6%)
Costs of contract work	(453,274)	(87.7%)	(491,887)	(87.0%)	(519,697)	(512,038)	38,613	(7.9%)
First contribution margin	**63,711**	**12.3%**	**73,457**	**13.0%**	**74,574**	**71,858**	**(9,746)**	**(13.3%)**
Other income	8,649	1.7%	12,763	2.3%	13,248	12,958	(4,114)	(32.2%)
Employee costs	(32,270)	(6.2%)	(33,224)	(5.9%)	(34,005)	(31,538)	954	(2.9%)
Cost of raw materials and consumables	(174)	(0.0%)	(250)	(0.0%)	(238)	(257)	76	(30.6%)
Costs for services	(24,410)*	(4.7%)	(28,609)*	(5.1%)	(30,798)	(30,172)	4,199	(14.7%)
Other operating expense	(636)	(0.1%)	(668)	(0.1%)	(768)	(823)	32	(4.8%)
EBITDA	**14,870**	**2.9%**	**23,469**	**4.2%**	**22,013**	**22,027**	**(8,599)**	**(36.6%)**
Impairment loss on trade receivables and other assets	(1,631)	(0.3%)	(3,062)	(0.5%)	(2,169)	(2,158)	1,431	(46.7%)
Amortisation, depreciation and impairment losses	(4,927)	(1.0%)	(4,780)	(0.8%)	(922)	(795)	(147)	3.1%
EBITA	**8,312**	**1.6%**	**15,627**	**2.8%**	**18,922**	**19,074**	**(7,315)**	**(46.8%)**
Amortisation of *intangible assets*	(46)*	(0.0%)	(44)*	(0.0%)	(44)	(44)	(2)	4.0%
EBIT	**8,266**	**1.6%**	**15,583**	**2.8%**	**18,878**	**19,030**	**(7,317)**	**(47.0%)**
Financial income	235	0.0%	43	0.0%	104	80	192	447.4%
Financial expense	(536)	(0.1%)	(737)*	(0.1%)	(632)	(944)	201	(27.3%)
Profit (loss) before taxes	**7,965**	**1.5%**	**14,889**	**2.6%**	**18,350**	**18,166**	**(6,924)**	**(46.5%)**
Income taxes	15,677	3.0%	(4,485)	(0.8%)	(5,974)	(5,926)	20,162	(449.5%)
Net profit (loss) for the year	**23,642**	**4.6%**	**10,404**	**1.8%**	**12,376**	**12,240**	**13,238**	**127.2%**

* For further details please refer to the table below

The table below provides a breakdown of the costs that have been adjusted for the purposes of determining the Alternative Performance Indicators (APIs).

	Description	2020		2019	
		EUR thousands	**% weight on the IS* item**	**EUR thousands**	**% weight on the IS* item**
Costs for services	Charges relating mainly to consultancy and due diligence costs for potential targets	418	1.7%	543	1.9%
Financial expense	Commission release following early settlement of non-current loan	-	-	116	15.7%
Total		**418**	**-**	**659**	**-**
Amortisation/depreciation	Amortisation of customer relations included in intangible assets and goodwill	46	0.9%	44	0.9%
Total costs		**464**	**-**	**703**	**-**
Tax effect		(129)	-	(192)	-
Income taxes	Tax realignment, article 110 of Law decree no. 104/2020	(18,006)	-		
Total impact on the Income Statement		**(17,671)**	**-**	**511**	**-**

**Income Statement*

In 2020, charges relating mainly to consultancy and due diligence costs for potential targets amounted to EUR 418 thousand and amortisation of customer relations included in intangible assets and goodwill amounted to EUR 46 thousand.

This gives rise to an adjusted net profit of EUR 5,971 thousand, considering both the negative tax effect of EUR 129 thousand, and the tax realignment pursuant to article 104/2020 of Law decree no. 104/2020 (for further details, please refer to point 28 of the notes to the consolidated financial statements).

Adoption of accounting standard IFRS 16 – Leases

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

The main financial impacts of the adoption of IFRS 16 at 31 December 2020 and 2019 are the following:

- **EBITDA**: In 2020, EBITDA amounted to EUR 14,870 thousand (EUR 23,469 thousand in 2019); adjusted EBITDA amounted to EUR 15,288 thousand in 2020, compared to EUR 24,012 thousand in 2019. Before the adoption of IFRS 16 (cost for services approximately equal to the depreciation of right of use for leases), EBITDA in 2020 would have amounted to EUR 10,783 thousand (EUR 19,598 thousand in 2019) and adjusted EBITDA to EUR 11,201 thousand (EUR 20,141 thousand in 2019).

- **Amortisation/depreciation:** this amounted to EUR 4,973 thousand in 2020 (EUR 4,824 thousand in 2019). Before the adoption of the new IFRS 16, amortisation/depreciation would have been recognised for a total of EUR 1,062 thousand (EUR 1,044 thousand in 2019). The difference of EUR 3,911 thousand (EUR 3,780 thousand in 2019) is due to recording the depreciation for right-of-use assets underlying the leases (excluding the reclassification of the Aprilia property).

- **Financial expense:** this amounted to EUR 536 thousand in 2020 (EUR 737 thousand in 2019). Before the adoption of the new IFRS 16, financial expense would have been recognised for a total of EUR 331 thousand (EUR 513 thousand in 2019). The difference of EUR 205 thousand (EUR 224 thousand in 2019) is due to recording financial expense on lease liabilities.

- **Net financial indebtedness:** this showed a negative balance of EUR 17,375 thousand as at 31 December 2020 (EUR 30,103 thousand as at 31 December 2019). Before adoption of the new IFRS 16, net financial indebtedness would have amounted to EUR 4,721 thousand (EUR 18,090 thousand as at 31 December 2019). The difference of EUR 12,654 thousand (EUR 12,013 thousand as at 31 December 2019) is due to recording lease liabilities.

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Revenue from sales and services

Revenue in 2020 amounted to EUR 516,985 thousand compared to EUR 565,344 thousand in 2019. The decline, equal to 8.6%, is mainly due to the effects of the Covid-19 pandemic, which began to spread across Italy from the end of February 2020. The phenomenon affected all of the Group's business segments (compared to 2019: Personnel supply -8.4%, Recruitment and Selection -11.3%, Outplacement -54.2%, other revenue -16.8%). However, there was a marked recovery in the third and fourth quarters of 2020: the third quarter recorded +25.2% on the second and the fourth +11.8% on the third. In the second half of the year, the gap with respect to 2019 gradually narrowed: in July, August and September 2020, the Group's total revenue decreased by 4.2% compared to the same months in 2019, and in the last quarter of the year revenue was actually in line with the same period of 2019 (-0.7%), despite the complex context and the fresh wave of Covid-19 infections in the autumn months, with concurrent containment measures imposed by the Government, which varied depending on the region and the extent of the increase in the number of infections.
Lastly, the excellent performance of activities related to care of the elderly and non-self-sufficient people was confirmed, up by 40.9% compared to 2019.

Costs of contract work

Personnel expense relating to contract workers shows a decrease of EUR 38,613 thousand, from EUR 491,887 thousand in 2019 to EUR 453,274 thousand in 2020, equal to 87.7% of revenue, up on 2019 (87.0%). The change was mainly due to the decrease in business volumes in terms of contract worker hours sold to customers.

First contribution margin

In 2020, the Group's first contribution margin amounted to EUR 63,711 thousand, compared with EUR 73,457 thousand in 2019. This represented 12.3% of revenue, down compared to 2019 (13.0%). This is due both to the contract work margin, since absenteeism due to suspected illness increased due to the Covid-19 pandemic, especially in the first part of the year, and to the decline in revenue from high margin services such as recruitment and selection and training, which generally involve activities carried out in person and consequently could not be carried out due to the pandemic. Note, however, that in the last quarter of the year, the first margin percentage was 12.9%, just slightly lower than in 2019 (13.0%).

Other income

Other income for 2020 amounted to EUR 8,649 thousand, compared to EUR 12,763 thousand in 2019.

The item mainly includes contributions from Forma.Temp (EUR 7,711 thousand for 2020, against EUR 11,919 thousand in 2019) for costs incurred by the Group to deliver training courses to contract workers through qualified trainers, and other sundry income (EUR 938 thousand in 2020, against EUR 844 thousand in 2019). These contributions are issued by Forma.Temp on the basis of the specific cost reports of equal amounts – recorded for the organisation and performance of training activities – carried out for each individual initiative.

Employee costs

The average number of employees in 2020 was 652, compared to 639 in 2019, and includes staff employed at the headquarters and at the Group's subsidiaries (184 employees in 2020 for the Group) and at the branch offices located throughout the country (468 in 2020 for the Group).

Employee costs, amounting to EUR 32,270 thousand in 2020, decreased by EUR 954 thousand compared to the figure in 2019 (EUR 33,224 thousand). This trend reflects the cost containment measures implemented by the Group in order to counter the effects of the Covid-19 pandemic. These include the unconditional and irrevocable waiver by all beneficiaries identified for the first *tranche* of the Phantom Stock Option plan of the right to exercise the options accrued for a value of EUR 441 thousand.

Costs for services

Costs for services for 2020 amounted to EUR 24,410 thousand, a EUR 4,199 thousand decrease compared to 2019 (EUR 28,609 thousand). The change compared to 2019 is mainly due to the reduction in costs for training activities for contract workers.

Costs for services mainly include the costs incurred for the organisation of training courses for contract workers, amounting to EUR 7,706 thousand for 2020, compared to EUR 11,919 thousand in 2019. The Group receives contributions from Forma.Temp to fully cover the costs incurred for training, following accurate and timely reporting of said costs. The remaining costs for services refer mainly to the costs for tax, legal, IT and business consultancy, and fees paid to sourcers and professional advisors.

Net of the value of the contributions received from Forma.Temp for the organisation of training courses for contract workers, costs for services were equal to EUR 16,704 thousand in 2020, against EUR 16,690 thousand in 2019. The impact on revenue was up slightly compared to the previous year (from 3.6% in 2019 to 4.0% in 2020).

The 2020 figure includes charges mainly related to consultancy and due diligence costs for potential targets equal to EUR 418 thousand, (EUR 543 thousand in 2019), subject to adjustment for the purposes of the calculation of adjusted EBITDA, as described in the following paragraph.

In 2020, Openjobmetis was confirmed as the main sponsor of Pallacanestro Varese, a professional basketball club that plays at national level in the first division of the Italian basketball league.

EBITDA, EBITA and the respective adjusted values

In 2020, EBITDA amounted to EUR 14,870 thousand, compared to EUR 23,469 thousand in 2019. Adjusted EBITDA amounted to EUR 15,288 thousand in 2020, compared to EUR 24,012 thousand recorded in 2019, mainly in relation to that already mentioned with reference to costs for services and revenue from sales and services.

In 2020, EBITA was EUR 8,312 thousand compared to EUR 15,627 thousand in 2019, and the adjusted EBITA was EUR 8,730 thousand compared to EUR 16,170 thousand in 2019.

Amortisation, depreciation and impairment losses

Amortisation/depreciation was EUR 4,973 thousand in 2020, compared to EUR 4,824 thousand in 2019. The amortisation portion of customer relations capitalised among intangible assets and goodwill, included in the amortisation of intangible assets, amounted to EUR 46 thousand in 2020 (EUR 44 thousand in 2019). Note that with the adoption of the IFRS 16, the item includes the recording of the depreciation for right-of-use assets underlying the leases for EUR 3,911 thousand in 2020 and for EUR 3,780 thousand in 2019, as explained above.

Impairment loss on trade receivables and other assets

The total impairment losses on trade receivables and other assets in 2020, equal to EUR 1,631 thousand, were down compared to the 2019 figure (EUR 3,062 thousand). Impairment losses on trade receivables and other assets as a percentage of total turnover in 2020 was 0.32%, lower than the 2019 figure, equal to 0.54%. The Group considers a range of 0.3% to 0.5% to be normal for the impairment losses on trade receivables as a percentage of revenue.

EBIT

As a result of the above, the Group's operating profit for 2020 was EUR 8,266 thousand, compared to EUR 15,583 thousand in 2019.

Financial income and financial expense

Financial expense amounted to EUR 301 thousand in 2020, compared to EUR 694 thousand in 2019. Note that with the adoption of IFRS 16, this item includes the financial expense on lease liabilities for EUR 205 thousand in 2020 and EUR 223 thousand in 2019, as explained above.

Income taxes

In 2020, income taxes of EUR 15,677 thousand were recorded, compared to a negative EUR 4,485 thousand in 2019. The item consists of current taxes of EUR 2,638 thousand, which refer to EUR 619 thousand for IRAP and EUR 2,019 thousand for IRES charges, compared to EUR 4,366 thousand in the previous year, which refer to EUR 1,021 thousand for IRAP and EUR 3,345 thousand for IRES charges. It is also noted that in 2020, the parent took advantage of the possibility of realigning the tax value of goodwill, in accordance with article 110.8/8-bis of Law decree no. 104/2020, with a positive effect on income taxes for a total of EUR 18,006 thousand (for further details, please refer to point 28 of the notes to the consolidated financial statements).

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

As a result of the above, the result for the year shows a net profit of EUR 23,642 thousand in 2020, compared to a net profit of EUR 10,404 thousand in the previous year.

Adjusted net profit for the year, as reported in the following table, amounted to EUR 5,971 thousand in 2020, compared to an adjusted net profit of EUR 10,915 thousand in 2019.

Adjusted net profit *(in thousands of EUR)*	2020	2019
Net profit for the year	**23,642**	**10,404**
Costs for services (costs relating to due diligence activities for potential targets)	418	543
Amortisation (client relations included in intangible assets and goodwill)	46	44
Commission release following early settlement of non-current loan	-	116
Tax effect	(129)	(192)
Tax realignment, article 110 of Law decree no. 104/2020	(18,006)	-
Adjusted net profit for the year	**5,971**	**10,915**

Statement of Financial Position

The table below shows the Group's consolidated statement of financial position reclassified on a financial basis as at 31 December 2020, 2019, 2018 and 2017.

(amounts in thousands of EUR)	Financial statements for the year ended 31 December						2020/2019 Change	
	2020	% on NIC* / Total sources	**2019**	% on NIC* / Total sources	**2018**	**2017**	**Amount**	**%**
Intangible assets and goodwill	76,191	54.1%	75,992	56.5%	76,388	74,472	199	0.3%
Property, plant and equipment	2,585	1.8%	2,422	1.8%	2,376	2,300	163	6.7%
Right-of-use for leases	12,851	9.1%	11,989	8.9%	-	-	862	7.2%
Other non-current assets and liabilities	21,144	15.0%	1,602	1.2%	1,690	2,163	19,542	1219,8%
Total non-current assets/liabilities	**112,770**	**80.1%**	**92,005**	**68.4%**	**80,454**	**78,935**	**20,765**	**22.6%**
Trade receivables	108,911	77.4%	116,357	86.6%	115,270	123,312	(7,446)	(6.4%)
Other assets	7,751	5.5%	8,479	6.3%	7,994	7,209	(728)	(8.6%)
Current tax assets	280	0.2%	1,081	0.8%	34	23	(801)	(74.1%)
Trade payables	(10,456)	(7.4%)	(7,942)	(5.9%)	(5,677)	(6,946)	(2,514)	31.6%
Current employee benefits	(42,962)	(30.5%)	(40,403)	(30.1%)	(39,950)	(39,835)	(2,559)	6.3%
Other liabilities	(32,840)	(23.3%)	(33,171)	(24.7%)	(33,677)	(32,696)	331	(1.0%)
Current tax liabilities	(726)	(0.5%)	(24)	(0.0%)	(685)	(2,662)	(702)	2925,0%
Provisions for current risks and charges	(1,929)	(1.4%)	(1,962)	(1.5%)	(1,947)	(2,948)	33	(1.7%)
Net working capital	**28,029**	**19.9%**	**42,415**	**31.6%**	**41,362**	**45,458**	**(14,386)**	**(33.9%)**
Total loans – net invested capital	**140,799**	**100.0%**	**134,420**	**100.0%**	**121,816**	**124,393**	**6,379**	**4.7%**
Equity	122,086	86.7%	103,159	76.7%	96,522	88,308	18,927	18.3%
Net Financial Indebtedness (NFI)	17,375	12.3%	30,103	22.4%	24,201	35,021	(12,728)	(42.3%)
Employee benefits	1,339	1.0%	1,158	0.9%	1,093	1,064	181	15.6%
Total sources	**140,799**	**100.0%**	**134,420**	**100.0%**	**121,816**	**124,393**	**6,379**	**4.7%**

* Net Invested Capital

Intangible assets and goodwill

Intangible assets and goodwill totalled EUR 76,191 thousand as at 31 December 2020, compared to EUR 75,992 thousand as at 31 December 2019, and consist primarily of goodwill, customer relations, software and other intangible assets under development and payments on account.

Goodwill, amounting to EUR 75,126 thousand as at 31 December 2020, is attributable for EUR 45,999 thousand to acquisitions carried out before 2011 and the merger with WM S.r.l. carried out in 2007, for EUR 27,164 thousand to the acquisition and subsequent merger of Metis S.p.A. carried out in 2011, and for EUR 383 thousand to the acquisition of the subsidiary Corium S.r.l. carried out in 2013. Subsequently, the goodwill value increased in relation to the acquisitions of Meritocracy S.r.l. and HC S.r.l., respectively for amounts equal to EUR 288 thousand and EUR 604 thousand. The acquisition of Jobdisabili S.r.l. in January 2020 led to an increase of EUR 169 thousand and the acquisition of 50.66% of Lyve S.r.l. in November 2020 resulted in an increase of EUR 519 thousand.

At the end of each year, the Group tests goodwill for impairment. The impairment test on goodwill is carried out on the basis of the value in use through calculations based on projected cash flows taken from the five-year business plan, approved by the Board of Directors of Openjobmetis S.p.A. The last test was carried out with reference to the financial statements as at and for the year ended 31 December 2020. For further information on the methodology used, please refer to points 5 and 4, respectively, of the Notes to the Separate and Consolidated Financial Statements.

Other non-current assets and liabilities

The item, amounting to EUR 21,144 thousand, mainly includes the net effect deriving from the realignment of the tax value of the parent's goodwill, in accordance with article 110.8/8-bis of Law decree no. 104/2020, for which EUR 20,158 thousand was recognised for deferred tax assets as at 31 December 2020 and EUR 1,435 thousand for non-current tax liabilities, relating to the instalments of substitute tax to be paid in the years 2022 and 2023 (for further details, please refer to point 28 of the notes to the consolidated financial statements).

Trade receivables

Trade receivables amounted to EUR 108,911 thousand as at 31 December 2020 compared to EUR 116,357 thousand as at 31 December 2019; as at 31 December 2020, there were no trade receivables from related parties (EUR 3 thousand as at 31 December 2019). The item is recorded in the consolidated financial statements net of a loss allowance of EUR 5,545 thousand (EUR 4,866 thousand as at 31 December 2019).

During 2020, trade receivables were assigned for a total amount of EUR 5,420 thousand, compared to EUR 1,591 thousand in 2019.

The days sales outstanding (DSO) granted to customers is 76 days, compared with 74 days as at 31 December 2019. Calculating the DSO only on the fourth quarter of 2020, i.e. trade receivables/quarterly revenue * 90 days, a DSO of 66 days is achieved, which is slightly lower than the same period of 2019 (70 days).

There are no trade receivables with insurance coverage.

There are no credit risk profiles for related parties.

Other assets

As at 31 December 2020, other assets totalled EUR 7,751 thousand, compared to EUR 8,479 thousand as at 31 December 2019, and relate mainly to: amounts due from Forma.Temp for EUR 4,575 thousand (EUR 3,928 thousand as at 31 December 2019), relating to the reimbursement of the salary supplement (Trattamento di Integrazione Salariale - TIS) paid in advance to contract workers (as at 31 December 2019 relating to approved courses in excess of those already available in the year); amounts due from the INPS treasury funds for post-employment benefits for EUR 829 thousand (EUR 1,299 thousand as at 31 December 2019); prepayments for EUR 875 thousand (EUR 862 thousand as at 31 December 2019); other disputed amounts for EUR 1,095 thousand relating to an amount due from a former director of Metis S.p.A. for unjustified expenses (unchanged from 31 December 2019); and amounts due from the tax authorities for reimbursements for EUR 137 thousand (EUR 1,245 thousand as at 31 December 2019).

The item Assets from INPS treasury funds for post-employment benefits relates to the amount of post-employment benefits due to contract workers, which is paid in advance by Openjobmetis S.p.A. to the worker and requested as a reimbursement from the INPS treasury, to which it had been previously paid.

The item prepayments mainly refers to costs not pertaining to the period for sponsorships, bank fees and sundry fees not relating to lease agreements.

Trade payables

As at 31 December 2020, trade payables amounted to EUR 10,456 thousand, compared to EUR 7,942 thousand as at 31 December 2019. There are no trade payables to related parties as at 31 December 2020 (same as at 31 December 2019). At the reporting date, there was no concentration of payables due to a limited number of suppliers.

Employee benefits

As at 31 December 2020, payables for current employee benefits amounted to EUR 42,962 thousand, up compared to EUR 40,403 thousand as at 31 December 2019, mainly in relation to the increase in workers hired on permanent contracts. The item mainly refers to salaries and compensation due to contract workers and company employees, in addition to the post-employment benefits due to contract workers.

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

Current tax liabilities

Current tax liabilities as at 31 December 2020 amounted to EUR 726 thousand and refer for EUR 717 thousand to the first instalment of the substitute tax pursuant to article 110.8/8-bis of Law decree 104/2020. For further details, please refer to point 28 of the Notes to the Consolidated Financial Statements. The rest, amounting to EUR 9 thousand, refer to the tax liability for IRAP for the subsidiary Lyve S.r.l.

As at 31 December 2019, current tax liabilities amounted to EUR 24 thousand and referred to the amount due to the tax authorities for IRAP.

Other liabilities

As at 31 December 2020, other liabilities amounted to EUR 32,840 thousand, compared to EUR 33,171 thousand as at 31 December 2019. The item refers mainly to social security charges of EUR 18,668 thousand as at 31 December 2020 (EUR 18,946 thousand as at 31 December 2019), tax liabilities principally related to withholdings on employees' remuneration of EUR 10,200 thousand (EUR 11,324 thousand as at 31 December 2019), liabilities to Forma.Temp of EUR 1,292 thousand (EUR 2,225 thousand as at 31 December 2019) and other liabilities mainly including liabilities for shareholdings acquired during the year and the recognition of put-options as set out in the relevant agreements, deferred income and salary/pension backed loans for a total of EUR 2,680 thousand (EUR 676 thousand as at 31 December 2019).

Equity

As at 31 December 2020, equity amounted to EUR 122,086 thousand, compared to EUR 103,159 thousand as at 31 December 2019.

The change in equity recorded between 31 December 2019 and 31 December 2020 is mainly attributable to the net profit for 2020, to the distribution of the dividend relative to the 2019 profit and to the negative reserve resulting from the repurchase of treasury shares.

Net Financial Indebtedness (NFI)

Net financial indebtedness amounted to EUR 17,375 thousand as at 31 December 2020, compared to EUR 30,103 thousand as at 31 December 2019.

The Group's net financial indebtedness as at 31 December 2020, 2019, 2018 and 2017, calculated in accordance with the provisions of Recommendation ESMA/2013/319 and Consob Communication no. DEM/6064293 of 28 July 2006, is shown below.

	(amounts in thousands of EUR)	**Financial statements for the year ended 31 December**				**2020 vs 2019**	
		2020	**2019**	**2018**	**2017**	**Amount**	**%**
A	Cash	29	34	29	24	(5)	(14.7%)
B	Other cash and cash equivalents	16,973	6,497	6,449	4,638	10,476	161.2%
C	Securities held for trading	-	-	-	-	-	-
D	**Cash and cash equivalents (A+B+C)**	**17,002**	**6,531**	**6,478**	**4,662**	**10,471**	**160.3%**

	(amounts in thousands of EUR)	**Financial statements for the year ended 31 December**				**2020 vs 2019**	
		2020	**2019**	**2018**	**2017**	**Amount**	**%**
E	Current loan assets	-	-	-	-	-	-
F	Current bank loans and borrowings	(11,240)	(11,140)	(16,934)	(17,455)	(100)	0.9%
G	Current portion of non-current debt	(3,000)	(3,000)	(9,600)	(8,607)	-	0.0%
H	Other current loans and borrowings	(3,665)	(3,514)	(12)	(12)	(151)	4.3%
I	**Current financial indebtedness (F+G+H)**	**(17,905)**	**(17,654)**	**(26,546)**	**(26,074)**	**(251)**	**1.4%**
J	**Net current financial indebtedness (D+E+I)**	**(903)**	**(11,123)**	**(20,068)**	**(21,412)**	**10,220**	**(91.9%)**
K	Non-current bank loans and borrowings	(7,450)	(10,417)	(4,096)	(13,559)	2,967	(28.5%)
L	Bonds issued	-	-	-	-	-	-
M	Other non-current liabilities	(9,022)	(8,563)	(37)	(50)	(459)	5.4%
N	**Non-current financial indebtedness (K+L+M)**	**(16,472)**	**(18,980)**	**(4,133)**	**(13,609)**	**2,508**	**(13.2%)**
O	**Net Financial Indebtedness (J+N)**	**(17,375)**	**(30,103)**	**(24,201)**	**(35,021)**	**12,728**	**(42.3%)**

Net financial indebtedness showed a negative balance of EUR 17,375 thousand as at 31 December 2020. Before the adoption of IFRS 16, net financial indebtedness would have amounted to EUR 4,721 thousand. The difference of EUR 12,654 thousand is due to recording lease liabilities as required by IFRS 16.

It should also be noted that the Company paid the salary supplement (Trattamento di Integrazione Salariale - TIS) of EUR 4,575 thousand in advance, and it will be repaid by Forma.Temp in 2021.

Operating performance and results of the Parent Openjobmetis S.p.A.

Analysis of the operating performance of Openjobmetis S.p.A. for 2020

Revenue from sales for 2020 came to EUR 495.1 million, compared to EUR 556.7 million in the previous year. In 2020, operating profit (or EBIT, earnings before interest and tax) amounted to EUR 6.5 million. (EUR 11.3 million in 2019). Net profit was EUR 24.5 million compared to EUR 10.4 million in 2019.

The parent's income statements for the years 2020 and 2019 are shown in the table below.

(Values in EUR)	Financial statements as at and for the year ended 31 December				2020/2019 Change	
	2020	**% of Revenue**	**2019**	**% of Revenue**	**value**	**%**
Revenue	495,125,689	100.0%	556,711,439	100.0%	(61,585,750)	(11.1%)
Costs of contract work	(440,125,615)	(88.9%)	(491,886,630)	(88.4%)	51,761,015	(10.5%)
First contribution margin	**55,000,074**	**11.1%**	**64,824,809**	**11.6%**	**(9,824,735)**	**(15.2%)**
Other income	8,618,722	1.7%	12,969,396	2.3%	(4,350,674)	(33.5%)
Employee costs	(26,367,290)	(5.3%)	(28,992,339)	(5.2%)	2,625,049	(9.1%)
Cost of raw materials and consumables	(146,551)	(0.0%)	(218,671)	(0.0%)	72,120	(33.0%)
Costs for services	(22,850,052)	(4.6%)	(28,390,020)	(5.1%)	5,539,968	(19.5%)
Other operating expenses	(529,427)	(0.1%)	(643,132)	(0.1%)	113,705	(17.7%)
EBITDA	**13,725,476**	**2.8%**	**19,550,043**	**3.5%**	**(5,824,567)**	**(29.8%)**
Impairment loss on trade receivables and other assets	(1,590,739)	(0.3%)	(3,044,000)	(0.5%)	1,453,261	(47.7%)
Amortisation, depreciation and impairment losses	(5,583,551)	(1.1%)	(5,128,952)	(0.9%)	(454,599)	8.9%
EBITA	**6,551,186**	**1.3%**	**11,377,091**	**2.0%**	**(4,825,905)**	**(42.4%)**
Amortisation of *intangible assets*	(37,907)	(0.0%)	(44,440)	(0.0%)	6,533	(14.7%)
EBIT	**6,513,279**	**1.3%**	**11,332,651**	**2.0%**	**(4,819,372)**	**(42.5%)**
Financial income	2,932,836	0.6%	3,342,311	0.6%	(409,475)	(12.3%)
Financial expense	(501,473)	(0.1%)	(722,126)	(0.1%)	220,653	(30.6%)
Profit (loss) before taxes	**8,944,642**	**1.8%**	**13,952,836**	**2.5%**	**(5,008,194)**	**(35.9%)**
Income taxes	15,590,940	3.1%	(3,567,050)	(0.6%)	19,157,990	(537.1%)
Net profit (loss) for the year	**24,535,582**	**5.0%**	**10,385,786**	**1.9%**	**14,149,796**	**136.2%**

* For further details please refer to the table below

The table below provides a breakdown of the costs that have been adjusted for the purposes of determining the Alternative Performance Indicators (APIs).

	Description	2020		2019	
		EUR	**% weight on the IS* item**	**EUR**	**% weight on the IS* item**
Costs for services	Charges relating mainly to consultancy and due diligence costs for potential targets	246,708	1.1%	543,448	1.9%
Financial expense	Commission release following early settlement of the non-current loan	-	-	116,470	16.1%
Total		**246,708**	**-**	**659,918**	**-**
Amortisation/depreciation	Amortisation of customer relations included in the amount of intangible assets and goodwill	37,907	0.7%	44,440	1.0%
Total costs		**284,615**	**-**	**704,358**	**-**
Tax effect		(79,408)	-	(191,974)	-
Income taxes	Tax realignment, article 110 of Law decree no. 104/2020	(18,006,000)	-		
Total impact on the Income Statement		**(17,800,793)**	**-**	**512,384**	**-**

**Income Statement*

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

- **EBITDA**: in 2020, EBITDA amounted to EUR 13,725,476 (EUR 19,550,043 in 2019); Adjusted EBITDA was EUR 13,972,184 in 2020, compared to EUR 20,093,491 in 2019. Before the adoption of IFRS 16 (cost for services approximately equal to the depreciation of right of use for leases), EBITDA in 2020 would have amounted to EUR 10,136,369 (EUR 15,779,391 in 2019) and adjusted EBITDA to EUR 10,383,077 (EUR 16,322,839 in 2019).

- **Amortisation/depreciation:** in 2020, amortisation/depreciation and impairment losses were recorded for EUR 5,621,458 (EUR 5,173,392 in 2019). Before the adoption of the new IFRS 16, amortisation/depreciation and impairment losses would have been recognised for a total of EUR 2,177,520 (EUR 1,491,560 in 2019). The difference of EUR 3,443,938 (EUR 3,681,832 in 2019) is due to recording the depreciation of right-of-use assets underlying the leases (excluding the reclassification of the Aprilia property).

- **Financial expense:** this amounted to EUR 501,473 in 2020 (EUR 722,126 in 2019). Before the adoption of the new IFRS 16, financial expense would have been recognised for a total of EUR 326,549 (EUR 502,201 in 2019). The difference of EUR 174,924 (EUR 219,925 in 2019) is due to recording financial expense on lease liabilities.

- **Net financial indebtedness**: this amounted to EUR 18,334,663 as at 31 December 2020 (EUR 33,592,014 as at 31 December 2019). Before the adoption of the new IFRS 16, net financial indebtedness would have amounted to EUR 7,763,029 (EUR 21,882,738 as at 31 December 2019). The difference of EUR 10,571,634 (EUR 11,709,276 as at 31 December 2019) is due to recording lease liabilities.

Revenue from sales and services

In 2020, the parent's revenue was EUR 495,125,689, compared to EUR 556,711,439 in 2019. As previously commented, the decline is mainly due to the impacts of the Covid-19 pandemic starting in March. However, there was a marked recovery in the third and fourth quarters of 2020: the third quarter recorded +25.5% on the second and the fourth +11.1% on the third. In the second half of the year, the gap with respect to 2019 gradually narrowed: in July, August and September 2020, the decrease in the revenue of the parent was moderate, at -7.1% compared to the same months in 2019, while the second quarter, the most impacted by the measures introduced to contain the pandemic, recorded -29.8% compared to the same period of the previous year; finally, in the last quarter, revenue was slightly lower than the same period of 2019 (-3.5%), despite the complex context and the fresh wave of Covid-19 infections in the autumn months, with concurrent targeted lockdowns. It should also be noted that the Family Care S.r.l. business unit was transferred with effect from 1 January 2020.

Costs of contract work

Personnel expense relating to contract workers decreased by EUR 51,761,015, from EUR 491,886,630 in 2019 to EUR 440,125,615 in 2020, equal to 88.9% of revenue (88.4% in 2019). The change was mainly due to the decrease in business volume in terms of contract worker hours sold to customers.

First contribution margin

In 2020, the parent's first contribution margin amounted to EUR 55,000,074, compared to EUR 64,824,809 in 2019. The impact on revenue was down by 11.1%. This trend is mainly due to the increase in absenteeism due to suspected illness, especially in the first part of the year.

Other income

Other income for 2020 amounted to EUR 8,618,722, compared to EUR 12,969,396 in 2019.

The item mainly includes contributions from Forma.Temp (EUR 7,566 thousand in 2020, against EUR 11,919 thousand in 2019) for costs incurred by Openjobmetis S.p.A. to deliver training courses for contract workers through qualified trainers, and other sundry income (EUR 1,053 thousand, against EUR 1,050 thousand in 2019).
These contributions are issued by Forma.Temp on the basis of the specific accounting of costs – recorded for the organisation and performance of training activities – carried out for each individual initiative.

Employee costs

Employee costs in 2020 amounted to EUR 26,367,290 compared to EUR 28,992,339 in 2019, a decrease of EUR 2,625,049. This trend reflects the cost containment measures implemented by the Group in order to counter the effects of the Covid-19 pandemic. These include the unconditional and irrevocable waiver by all beneficiaries identified for the first tranche of the Phantom Stock Option plan of the right to exercise the options accrued of EUR 441 thousand. In addition, as already indicated, the figure in 2019 also included the employee costs included in the business unit transferred to Family Care S.r.l. with effect from 1 January 2020.

As a percentage of revenue, it stood at 5.3%, in line with the figure recorded in 2019 (5.2%).

Costs for services

In financial year 2020, costs for services amounted to EUR 22,850,052, compared to EUR 28,390,020 in 2019.

Costs for services mainly include the costs incurred to organise training courses for contract workers, amounting to EUR 7,562 thousand for 2020, compared to EUR 11,919 thousand in 2019. The Group receives contributions from Forma.Temp to fully cover the costs incurred for training, following accurate and timely accounting of said costs. The remaining costs for services refer mainly to the costs for tax, legal, IT and business consultancy, and fees to sources and professional advisors.

Net of the contributions received from Forma.Temp to organise training courses for contract workers, costs for services were equal to EUR 15,288 thousand in 2020, against EUR 16,741 thousand in 2019. As a percentage of revenue, it was up slightly compared to the previous year (from 3.6% in 2019 to 3.8% in 2020). The 2019 figure also includes costs for services relating to the business unit transferred to Family Care S.r.l. with effect from 1 January 2020.

The 2020 figure includes charges mainly related to consultancy and due diligence costs for potential targets equal to EUR 274 thousand, (EUR 543 thousand in 2019), subject to adjustment for the purposes of the calculation of adjusted EBITDA, as described in the following paragraph.

In 2020, Openjobmetis S.p.A. was confirmed as the main sponsor of Pallacanestro Varese, a professional basketball club that plays at national level in the first division of the Italian basketball league.

EBITDA, EBITA and the respective adjusted values

In 2020, EBITDA amounted to EUR 13,725,476, compared to EUR 19,550,043 in 2019. Adjusted EBITDA was EUR 13,972,184 in 2020, compared to EUR 20,093,491 in 2019, in relation to that reported with reference to costs for services.

In 2020, the EBITA recorded was EUR 6,551,186 compared to EUR 11,377,091 in 2019, and the adjusted EBITA was EUR 6,797,894 compared to EUR 11,920,539 in 2019.

Amortisation, depreciation and impairment losses

In 2020, amortisation, depreciation and impairment losses amounted to EUR 5,621,458, compared to EUR 5,173,392 in 2019. The amortisation portion of customer relations capitalised among intangible assets and goodwill, included in the amortisation of intangible assets, amounted to EUR 37,907 in 2020 (EUR 44,440 in 2019). For HC S.r.l., following the losses recorded, the equity investment was partially written down by EUR 1,500 thousand.

Note that with adoption of the IFRS 16 accounting standard, the figure included the recording of the amortisation for right-of-use assets underlying the leases for EUR 3,443,938 in 2020 and EUR 3,681,833 in 2019, as explained above.

Impairment loss on trade receivables and other assets

Total impairment in 2020 was EUR 1,590,739, compared to EUR 3,044,000 in 2019.

EBIT

As a result of the above, the operating profit of Openjobmetis S.p.A. for 2020 was EUR 6,513,279, compared to EUR 11,332,651 in 2019.

Financial income and financial expense

Net financial income amounts to EUR 2,431,363 in 2020, compared to EUR 2,620,185 in 2019. Note that following the adoption of IFRS 16, the figure includes the financial expense on lease liabilities for EUR 174,924 in 2020 and EUR 219,925 in 2019, as explained above. In addition, in 2020 dividends from subsidiaries amounted to EUR 2,700 thousand, compared to EUR 3,300 thousand in 2019.

Income taxes

In 2020, income taxes amounted to EUR 15,590,940, compared to a negative EUR 3,567,050 in 2019. The item includes current IRES and IRAP taxes of EUR 2,509 thousand, compared to EUR 3,245 thousand in the previous year, and deferred taxes of EUR (95) thousand, compared to EUR 328 thousand in the previous year. It is also noted that in 2020, the Company took advantage of the possibility of realigning the tax value of goodwill, in accordance with article 110.8/8-bis of Law decree no. 104/2020, with a positive effect on income taxes for a total of EUR 18,006 thousand (for further details, please refer to point 27 of the notes to the separate financial statements).

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

As a result of the above, net profit for 2020 totalled EUR 24,535,582, compared to a net profit of EUR 10,385,786 in the previous year.

Adjusted net profit for the year, as shown in the following table, amounted to EUR 6,734,789 in 2020, compared to an adjusted profit of EUR 10,898,170 in 2019.

Adjusted net profit *(amount in EUR)*	**2020**	**2019**
Net profit for the year	**24,535,582**	**10,385,786**
Charges relating mainly to consultancy and due diligence costs for potential targets	246,708	543,448
Amortisation (client relations included in intangible assets and goodwill)	37,907	44,440
Commission release following early settlement of non-current loan	-	116,470
Tax effect	(79,408)	(191,974)
Tax realignment, article 110 of Law decree no. 104/2020	(18,006,000)	-
Adjusted net profit for the year	**6,734,789**	**10,898,170**

Statement of Financial Position

The table below shows the Parent's separate statement of financial position reclassified on a financial basis for the years ended 31 December 2020 and 31 December 2019.

(values in EUR)	Financial statements for the year ended 31 December				2020/2019 Change	
	2020	% on NIC* / Total sources	2019	% on NIC* / Total sources	Value	%
Intangible assets and goodwill	72,018,228	51.7%	72,287,142	54.0%	(268,914)	(0.4%)
Property, plant and equipment	2,285,884	1.6%	2,346,263	1.8%	(60,379)	(2.6%)
Right-of-use for leases	10,503,134	7.5%	11,686,617	8.7%	(1,183,483)	-
Other non-current assets and liabilities	25,917,393	18.6%	5,887,146	4.4%	20,030,247	340.2%
Total non-current assets/liabilities	**110,724,639**	**79.5%**	**92,207,167**	**68.9%**	**18,517,471**	**20.1%**
Trade receivables	103,927,293	74.6%	113,859,847	85.1%	(9,932,554)	(8.7%)
Other assets	7,541,744	5.4%	8,483,355	6.3%	(941,611)	(11.1%)
Current tax assets	232,911	0.2%	1,043,383	0.8%	(810,472)	(77.7%)
Trade payables	(9,179,178)	(6.6%)	(7,563,097)	(5.7%)	(1,616,081)	21.4%
Current employee benefits	(40,996,388)	(29.4%)	(40,070,418)	(29.9%)	(925,970)	2.3%
Other liabilities	(30,468,878)	(21.9%)	(32,391,664)	(24.2%)	1,922,786	(5.9%)
Current tax liabilities	(717,000)	(0.5%)	-	-	(717,000)	-
Provisions for current risks and charges	(1,715,673)	(1.2%)	(1,744,405)	(1.3%)	28,732	(1.6%)
Net working capital	**28,624,831**	**20.5%**	**41,617,001**	**31.1%**	**(12,992,170)**	**(31.2%)**
Total loans – net invested capital	**139,349,469**	**100.0%**	**133,824,169**	**100.0%**	**5,525,300**	**4.1%**
Equity	120,375,744	86.4%	99,576,033	74.4%	20,799,711	20.9%
Net Financial Indebtedness (NFI)	18,334,663	13.2%	33,592,014	25.1%	(15,257,351)	(45.4%)
Employee benefits	639,062	0.5%	656,122	0.5%	(17,060)	(2.6%)
Total sources	**139,349,469**	**100.0%**	**133,824,169**	**100.0%**	**5,525,300**	**4.1%**

* Net Invested Capital

Intangible assets and goodwill

Intangible assets and goodwill totalled EUR 72,018,228 as at 31 December 2020, compared to EUR 72,287,142 as at 31 December 2019. They consist primarily of goodwill, customer relations and software.

Goodwill is attributable for EUR 44,572 thousand to acquisitions carried out before 2011 and the merger with WM S.r.l carried out in 2007, and for EUR 27,164 thousand to the acquisition and subsequent merger of Metis S.p.A. carried out in 2011.

Other net non-current assets and liabilities

The item, amounting to EUR 25,917,393 in 2020 (EUR 5,887,146 in 2019), mainly includes the net effect deriving from the realignment of the tax value of goodwill, in accordance with article 110-8/8-bis of Law decree 104/2020, for which EUR 20,158,000 was recognised for deferred tax assets as at 31 December 2020 and EUR 1,435,000 for non-current tax liabilities, relating to the instalments to be paid in 2022 and 2023 (for further details, please refer to point 27 of the notes to the separate financial statements). It also includes the recognition ofinvestments in subsidiaries for EUR 5,454,487 in 2020 (EUR 4,264,206 in 2019).

Trade receivables

Trade receivables totalled EUR 103,927,293 as at 31 December 2020, compared to EUR 113,859,847 as at 31 December 2019, and include trade receivables from related parties for EUR 168 thousand (EUR 66 thousand as at 31 December 2019). The item is recorded in the separate financial statements net of a loss allowance forof EUR 5,455 thousand (EUR 4,812 thousand as at 31 December 2019).

During 2020, assets were assigned for a total amount of EUR 5,420 thousand (EUR 1,591 thousand in the previous year).

The average collection period (DSO - Days Sales Outstanding) granted to customers appears to have slightly increased compared to the previous year, from 74 days to 76 days. Calculating the DSO only on the fourth quarter of 2020, i.e. trade receivables/quarterly turnover * 90 days, a DSO of 66 days is achieved, lower than the same period of 2019 (70 days).

There are no receivables with insurance coverage.

There are no credit risk profiles for related parties.

Other asses

As at 31 December 2020, Other assets totalled EUR 7,541,744, compared to EUR 8,483,355 as at 31 December 2019, and relate mainly to: amounts due from Forma.Temp for EUR 4,575 thousand (EUR 3,928 thousand as at 31 December 2019), relating to the reimbursement of the salary supplement (Trattamento di Integrazione Salariale - TIS) paid in advance to contract workers (as at 31 December 2019 relating to approved courses in excess of those already available in the year); amounts dues from the INPS treasury funds for post-employment benefits for EUR 832 thousand (EUR 1,273 thousand as at 31 December 2019); prepayments for EUR 741 thousand (EUR 811 thousand as at 31 December 2019); amounts due from the tax authorities for reimbursements for EUR 133 thousand (EUR 1,245 thousand as at 31 December 2019); amounts due for the domestic tax consolidation scheme for EUR 109 thousand (EUR 80 thousand in 2019); other disputed assets for EUR 1,095 thousand relating to a amount due from a former director of Metis S.p.A. for unjustified expenses (unchanged from 31 December 2019); and other minor receivables for EUR 57 thousand (EUR 52 thousand in 2019).

The item Assets from INPS treasury funds for post-employment benefits relates to the amount of post-employment benefits due to contract workers, which is paid in advance by Openjobmetis S.p.A. to the worker and requested as a reimbursement from the INPS treasury, to which it had been previously paid.

The item Prepayments mainly refers to costs not pertaining to the year for sponsorships, bank fees and sundry fees not relating to lease agreements.

Trade payables

As at 31 December 2020, trade payables amounted to EUR 9,179,178, compared to EUR 7,563,097 as at 31 December 2019. There are no trade payables to related parties.

Employee benefits

As at 31 December 2020, liabilities for current employee benefits amounted to EUR 40,996,388, compared to EUR 40,070,418 as at 31 December 2019, mainly in relation to the increase in workers hired on permanent contracts. The item mainly refers to liabilities for salaries and compensation due to contract workers and company employees, in addition to the liabilities for post-employment benefits due to contract workers.

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

Current tax liabilities

Current tax liabilities as at 31 December 2020 amount to EUR 717 thousand (EUR 0 as at 31 December 2019) and refer to the first instalment of the substitute tax pursuant to article 110.8/8-bis of Law decree 104/2020. For further details, please refer to point 27 of the Notes to the Separate Financial Statements.

Other liabilities

As at 31 December 2020, other liabilities amounted to EUR 30,468,878, compared to EUR 32,391,664 as at 31 December 2019. The item refers mainly to social security charges of EUR 18,142 thousand as at 31 December 2020 (EUR 18,766 thousand as at 31 December 2019), tax liabilities mainly related to withholdings on employees' salaries for EUR 9,871 thousand (EUR 11,004 thousand as at 31 December 2019), liabilities to Forma.Temp of EUR 1,092 thousand (EUR 2,225 thousand as at 31 December 2019), liabilities to subsidiaries for tax consolidation and other liabilities amounting to EUR 1,364 thousand (EUR 397 thousand as at 31 December 2019).

Equity

As at 31 December 2020, equity amounted to EUR 120,375,744, compared to EUR 99,576,033 as at 31 December 2019.

The increase in equity recorded between 31 December 2019 and 31 December 2020 is mainly attributable to the net profit for 2020, to the distribution of the dividend relative to the 2019 results and to the negative reserve arisen as a result of the purchase of treasury shares.

Net Financial Indebtedness (NFI)

Net financial indebtedness amounts to EUR 18,334,664 as at 31 December 2020, compared to EUR 33,592,014 as at 31 December 2019.

The parent's net financial indebtedness as at 31 December 2020 and 2019, calculated in accordance with the provisions of Recommendation ESMA/2013/319 and Consob Communication no. DEM/6064293 of 28 July 2006, is shown below.

	(amounts in thousands of EUR)	Financial statements for the year ended 31 December		2020/2019 Change	
		2020	**2019**	**Value**	**%**
A	Cash	20	22	(2)	(9.1%)
B	Other cash and cash equivalents	13,856	2,624	11,232	428.0%
C	Securities held for trading	-	-	-	-
D	**Cash and cash equivalents (A+B+C)**	**13,876**	**2,646**	**11,230**	**424.4%**
E	Current financial receivables	-	-	-	-
F	Current bank loans and borrowings	(11,157)	(11,048)	(109)	1.0%
G	Current portion of non-current debt	(3,000)	(3,000)	-	0.0%
H	Other current loans and borrowings	(3,155)	(3,401)	246	(7.2%)
I	**Current financial indebtedness (F+G+H)**	**(17,312)**	**(17,449)**	**137**	**(0.8%)**
J	**Net current financial indebtedness (D+E+I)**	**(3,435)**	**(14,803)**	**11,368**	**(76.8%)**
K	Non-current bank loans and borrowings	(7,450)	(10,417)	2,967	(28.5%)
L	Bonds issued	-	-	-	-
M	Other non-current liabilities	(7,450)	(8,372)	922	(11.0%)
N	**Non-current financial indebtedness (K+L+M)**	**(14,900)**	**(18,789)**	**3,889**	**(20.7%)**
O	**Net financial indebtedness (J+N)**	**(18,335)**	**(33,592)**	**15,257**	**(45.4%)**

As described above, net financial indebtedness before adoption of IFRS 16 would have amounted to EUR 7,764 thousand, compared with EUR 21,883 thousand as at 31 December 2019.

Risks related to operations

Risks related to the general operating performance

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

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

Risks relating to market competition

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

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

Risks associated with changes in the national regulatory framework

Since its introduction in 2003, temporary work contracts have been subject to subsequent legislative amendments that have progressively expanded the scope of application.

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

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

Risks to reputation and to the maintenance of Ministerial authorisations

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

Openjobmetis S.p.A. and the Group companies HC S.r.l. (formerly Corium S.r.l.), Seltis S.r.l., Family Care S.r.l. and Jobdisabili S.r.l., acquired on 31 January 2020 and wholly owned by Openjobmetis S.p.A., conduct their business on the basis of authorisations issued by the Ministry of Labour and Social Affairs, which are mandatory for the performance of their activities, in addition to Lyve S.r.l., acquired on 9 November 2020, which is50.66% owned.

More specifically: Openjobmetis S.p.A. conducts its business as a provider of contract work employment by virtue of a ministerial authorisation pursuant to Article 4.1(a) of Legislative decree no. 276/2003; Seltis S.r.l. holds a ministerial authorisation pursuant to Article 2.1(c) of Legislative decree no. 276/2003, to provide personnel recruitment and selection services; HC S.r.l. (formerly Corium S.r.l.) holds a ministerial authorisation pursuant to Article 2.1(d) of Legislative decree no. 276/2003 to provide professional outplacement support. Family Care S.r.l. carries out contract work activities by virtue of a provisional ministerial authorisation pursuant to Article 4.1(a) of Legislative decree no. 276/2003 (according to the provisions of the law, a provisional ministerial concession is granted for new employment agencies, which after two years can be requested indefinitely). Finally, Jobdisabili S.r.l. holds a ministerial authorisation pursuant to Article 2.1(c) of Legislative decree no. 276/2003, to carry out personnel recruitment and selection. It should be noted that Lyve S.r.l. does not hold any ministerial authorisation.

Over the course of 2020 and previous years and to date, the ministerial authorisations granted to Group companies have not been subject to revocation or suspension. In addition, during the same period, Group companies have not received any remarks from the competent authorities, nor were they involved in proceedings in connection with the ministerial authorisations.

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

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

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

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

As at 31 December 2020, the Group's bank loans and borrowings and loans and borrowings due to other lenders amounted to approximately EUR 34,377 thousand, gross of cash and cash equivalents. With reference to the previous year, the Group's debt exposure (including banks and other financial institutions) as at 31 December 2019 amounted to EUR 36,634 thousand.

With particular reference to the senior loan entered into in 2019, still in place as at 31 December 2020, it should be noted that it provides for: (a) the obligation of the Company to comply with specific financial parameters, to be calculated annually on the items of the consolidated financial statements of the Group, (b) certain non-performance events involving the lenders' right to terminate the loan agreement, or to withdraw therefrom and declare the Company's benefit of postponed payment to be forfeited, depending on the circumstances.

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

As at 31 December 2020, the Group companies are party to ongoing disputes and litigation.

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

Interest rate risk

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

It cannot be excluded that any unpredictable fluctuations in interest rates may have minimal adverse effects on the Group's financial position, also taking into account the reduced indebtedness.

Credit risk

The Group keeps the customer base diversified, and consequently it reduces the risks associated with debt recovery; the consolidated financial statements for the year ended 31 December 2020 show that the Group has trade receivables amounting to EUR 114,456 thousand, gross of the loss allowance of EUR 5,545 thousand. These gross trade receivables amounted to EUR 121,223 thousand as at 31 December 2019, gross of the loss allowance of EUR 4,866 thousand.

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

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

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

Relations with subsidiaries and related parties

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

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

Relationships with Subsidiaries

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

- **Seltis Hub S.r.l.**, a company focused on the recruitment and selection of personnel on behalf of third parties and on digital head-hunting, which incorporated the company Meritocracy S.r.l. on 5 October 2020;
- **Openjob Consulting S.r.l.,** a company focused on supporting the parent with payroll management tasks and training activities.
- **Family Care S.r.l. – Employment Agency,** a company focused on providing family assistants dedicated to the elderly and non-self-sufficient people.
- **Jobdisabili S.r.l.,** a company which owns the trademark "Jobmetoo" (https://www.jobmetoo.com), an online platform specialised in the recruitment and selection of personnel with disabilities, a meeting place between those belonging to protected categories and the world of work and businesses.

Furthermore, Openjobmetis S.p.A directly controls 92.86% of **HC S.r.l.** (following the merger of HC S.r.l. and Corium S.r.l. during 2020 with effect for accounting and tax purposes from 1 January 2020), a company focused on training, coaching and outplacement. Lastly, Openjobmetis S.p.A. controls 50.66% of **Lyve S.r.l.**, acquired on 9 November 2020, a training company that operates mainly in the insurance and financial services sector.

Openjobmetis S.p.A. maintains relations with the other Group companies in matters of commercial transactions. The revenue invoiced by Openjobmetis S.p.A. to the subsidiaries relates primarily to a range of general management, accounting and administrative support, operational control, personnel management, sales management, debt collection, EDP and data processing, call centre and procurement services provided by the parent to the other Group companies, as well as secondment. The revenue invoiced by Openjob Consulting S.r.l. to Openjobmetis S.p.A. pertains to the processing of contract workers' payslips, including the calculation of taxes and social security contributions (withholdings) and the processing of required periodic and annual reporting, in addition to training services, while the revenue invoiced by Meritocracy S.r.l. to Corium S.r.l. pertains to the production of a corporate video.

Openjobmetis S.p.A. and the subsidiaries Openjob Consulting S.r.l., Seltis Hub S.r.l., HC S.r.l. and Family Care S.r.l. have opted for the national tax consolidation scheme pursuant to Articles 117/129 of the Consolidated Income Tax Act (TUIR), thus permitting all the participating companies to offset the taxable profit with tax losses in a single tax return. Within the terms set by law, an assessment will be made as to the possibility of requesting to extend the option of tax consolidation to Lyve S.r.l. At the end of the three-year period, the option is tacitly renewed for another three years unless it is revoked.

The following table shows the financial relationships between the various Group companies in the course of 2020 and 2019.

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

(Amounts in EUR thousand)

Year	**2020**	**2019**
Revenue		
Openjobmetis vs Openjob Consulting	307	251
Openjobmetis vs HC	122	151
Openjobmetis vs Seltis	344	181
Openjobmetis vs Family Care	297	0
HC vs Seltis	2	0
Corium vs Openjobmetis	0	0
Openjob Consulting vs Family Care	157	0
Meritocracy vs Corium	0	3
HC vs Openjobmetis	33	0
Openjob Consulting vs Openjobmetis	1,113	1,278
Total Revenue/Costs	**2,375**	**1,864**

Intercompany assets/liabilities among Openjobmetis S.p.A. Group companies

(Amounts in EUR thousand)

Year	**2020**	**2019**
Assets		
Openjobmetis vs Openjob Consulting	137	0
Openjobmetis vs HC	126	66
Openjobmetis vs Seltis	15	80
Seltis vs Openjobmetis	5	105
HC vs Openjobmetis	121	53
Openjob Consulting vs Openjobmetis	0	20
Family Care vs Openjobmetis	317	0
Total assets/liabilities	**721**	**324**

Remuneration of key management personnel

The total remuneration to key management personnel as at 31 December 2020 amounted to EUR 2,518 thousand, against EUR 2,514 thousand as at 31 December 2019. For further details, please refer to point 33 of the Notes to the Separate and Consolidated Financial Statements.

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

It should also be noted that the Board Member Rosario Rasizza, the Director Biagio La Porta and the HR Director Marina Schejola hold 5% of Openjobmetis S.p.A. through MTI Investimenti SA, of which they are shareholders respectively holding 60%, 20% and 20% of the related share capital. It should also be noted that the Chairman Marco Vittorelli and the Director Corrado Vittorelli indirectly hold 17.8% of Openjobmetis S.p.A., through Omniafin S.p.A., of which they are shareholders with equal interests.

Other related party transactions

For details on related party transactions, please refer to section 32 of the notes to the consolidated financial statements and section 31 of the Notes to the Separate Financial Statements

In the course of normal business, the Group has provided contract worker supply services and has collaborated with related parties for insignificant amounts and under normal market conditions.

Significant events in 2020

On 1 January 2020, the transfer to Family Care S.r.l – Employment Agency of the business unit, which involves the assets and liabilities relating to the care activities of elderly and non-self-sufficient persons, became effective. This transfer has had no impact on the Group's consolidated financial statements.

On 24 January 2020, Corium S.r.l., a company wholly owned by Openjobmetis S.p.A., first merged HC S.r.l., previously owned 70% by Openjobmetis S.p.A., and subsequently changed its name to the name of the merged company. As a result of this transaction, Openjobmetis S.p.A. directly controls 92.86% of the "new" HC S.r.l., also due to the acquisition of part of the equity investments of third parties during the second half of the year, for an amount of EUR 200 thousand.

On 31 January 2020, Openjobmetis S.p.A. acquired 100% of the share capital of Jobdisabili S.r.l., owner of the trademark "Jobmetoo" (https://www.jobmetoo.com), an on-line platform specialised in the recruitment and selection of personnel with disabilities, a meeting place between those belonging to protected categories and the world of work and businesses.

On 16 March 2020, the Boards of Directors of Seltis S.r.l. and Meritocracy S.r.l. approved the project for the merger of Meritocracy S.r.l. into Seltis Hub S.r.l. (formerly Seltis S.r.l.), for the purpose of submitting the same for the resolution of the respective shareholders' meetings. This merger project was subsequently filed for registration care of the Companies' Register.

On 21 April 2020, the Shareholders' Meeting approved the financial statements as at 31 December 2019, approved allocation of the profit for the year and resolved on the distribution of a dividend per share dividend of EUR 0.21 per each entitled share. Furthermore, the Shareholders' Meeting resolved to authorise the Board of Directors to purchase and dispose of treasury shares, up to a maximum of shares not exceeding 5% of the share capital of Openjobmetis S.p.A..

On 21 April, the Board of Directors of Openjobmetis S.p.A. resolved the launch of the afore-mentioned treasury share purchase programme as from 22 April 2020.

On 15 May 2020, the Board of Directors of Openjobmetis S.p.A. identified the beneficiaries of the second tranche of the 2019-2021 LTI Performance Shares Plan approved by the Shareholders' Meeting of 17 April 2019, including the Chairman of the Board of Directors Marco Vittorelli, the Managing Director Rosario Rasizza and one director and key management personnel of Openjobmetis, as well as the number of rights assigned to each beneficiary. For further information, please refer to the relevant press release.

On 15 May all the beneficiaries identified for the 2017 tranche of the Phantom Stock Option plan – including the Managing Director Rosario Rasizza, the Director Biagio La Porta and Key management personnel of Openjobmetis S.p.A. – with a view to making a further tangible contribution to the effort made by the Company, at all levels, to deal with the impact of the Covid-19 emergency, have formalised to the Board the express and irrevocable waiver of the right to exercise the options as vested.

On 13 July 2020, the shareholders of Openjobmetis S.p.A., Omniafin S.p.A. and MTI Investimenti S.r.l. terminated in advance the shareholders' agreement signed between them on 12 November 2015 and expiring in December 2020 and have signed a new shareholders' agreement (the "2020 Shareholders' Agreement"), effective from 14 July 2020 until 13 July 2023, automatically renewed on the date of expiry for a further three years, unless notice of termination is given by one of the parties to the other at least six months beforehand, concerning the exercise of voting rights in accordance with Article 122, paragraph 1, of Legislative Decree No. 58/1998, with particular reference to the appointment of the Company's corporate bodies. For further information, please refer to the relevant press release.

On 31 July, the Board of Directors of Openjobmetis S.p.A. resolved to set up an ESG Committee, which took office on 9 October 2020, and provides proposals and advice to the Board of Directors on issues relating to environmental, social and governance matters. The Board of Directors also resolved to appoint the members of the ESG Committee, namely the Directors Carlo Gentili (Chairman), Biagio La Porta and Daniela Toscani.

By means of a deed dated 5 October and effective from 19 October, Meritocracy S.r.l. was declared merged by incorporation into Seltis S.r.l. The transaction was carried out in order to reorganise the Openjobmetis Group with the aim of creating a highly specialised HR services hub with high added value, identified as Seltis S.r.l.

On 2 November, the extraordinary Shareholders' Meeting of Seltis S.r.l. resolved to change the name of the Company to Seltis Hub S.r.l.

On 9 November, Openjobmetis S.p.A. acquired 50.66% of Lyve S.r.l., a training company in the field of insurance and financial services, at a price of EUR 1.1 million, with the right to also acquire the remaining share of the share capital of Lyve S.r.l., owned by part of the original shareholders. This option may be exercised within a three-month period, starting from the date of approval of the financial statements of Lyve S.r.l. as at 31 December 2023.

Main significant subsequent events

On 25 January 2021, Openjobmetis S.p.A. announced that it had signed an agreement to acquire 100% of the capital of Quanta S.p.A. and 100% of the share capital of Quanta Ressources Humaines SA, and indirectly of the respective Italian and foreign subsidiaries. The agreed consideration consists of a cash portion of EUR 20 million, in addition to the allocation to the seller of 685,000 treasury shares already held by Openjobmetis S.p.A., representing 4.99% of the share capital. A 5-year non-compete agreement is expected to be signed with the seller, worth a total of EUR 1.5 million. The real estate branch is expected to be spun-off in favour of the seller before the closing. The agreements ensure that, by antedating the effects of the spin-off of the real estate branch, as at 30 September 2020, the Quanta Group presents net financial indebtedness lower than EUR 16.8 million. To cover the aforementioned indebtedness, the transaction provides for guarantees in relation to which specific indemnity obligations have been agreed, guaranteed by escrow agreements.

Outlook

The results recorded in 2020 were naturally influenced by the Covid-19 pandemic and the related measures adopted by the Italian government in order to contain the spread of the virus.

The decline in revenue in the first quarter of 2020 was moderate, at -0.6% compared to the same period of the previous year. The second quarter was the most affected by the crisis. Indeed, revenue recorded was -27.7% compared to the same period of 2019. There was a steady recovery in the third quarter compared to the second, and the decrease in revenue was limited at -4.2% compared to the same quarter of the previous year. Finally, the recovery continued in the fourth quarter, despite a fresh wave of infections and the consequent containment measures launched by the Government, which varied by region. In this case, the decline in revenue was limited at -0.7% compared to the fourth quarter of the year, and in line with the gap recorded in the first quarter. In this difficult context, it should be noted that in the last months of the year the revenue achieved was in line with 2019 (even higher in November).

The abovementioned dynamics serve to demonstrate that the measures adopted by the Government in the second half of the year to limit infections and contain the pandemic have made it possible to protect the activities of companies and those employed, and have allowed the Openjobmetis Group to achieve results in line with the past.

By reason of these considerations and the forecasts for Italian GDP (2021 +4.9% on 2020, according to the December 2020 Consensus indicated by the Bank of Italy), we can imagine, with cautious optimism, a return to normal in the course of 2021.

Information relating to employees

For the Openjobmetis Group, its people are at the heart of all business activities. They are advocates of a way of doing things that sets the Group apart, characterised by constant growth and specialisation, a high degree of professionalism and creativity in the search for the best solutions for its customers and for its contract workers.

The Openjobmetis Group has been supported since January 2020 by an experienced HR consultant with a view to preparing and adopting over time a policy based on merit recognition, equal opportunities and human resource development, reflecting the policies already in place across all the Group Companies.

For additional information on employees, please refer to the 2020 Consolidated Non-Financial Statement prepared pursuant to Legislative decree no. 254/2016, which is filed with the financial statements and will be made available to the public at the registered office and at Borsa Italiana S.p.A. within the time limits prescribed by law, and will also be made available on the company's website at the following address: http://www.openjobmetis.it.

Information on environmental matters

All organisations should reflect on topics such as emissions, climate change and the consumption of natural resources. Specifically, it is necessary to evaluate the impacts that business activities have on the external environment in detail. Considering the type of services offered, the activities of the Openjobmetis group have limited environmental impacts in terms of energy consumption, greenhouse gas emissions and the consumption of natural resources. However, the Group makes an effort every day in carrying out its activities to ensure that energy consumption is reduced and that rules to protect the environment are continuously respected.

Some initiatives aimed at reducing environmental impact and developing employee and contract worker awareness with respect to these matters are listed below:

- safeguarding of the environment as a topic laid out within the Code of Ethics;
- initiatives aimed at minimising environmental impact:
  - installation of new LED lamps in all newly opened branches, when possible;
  - introduction of operating instructions that make it possible for customers to choose to enter into digital contracts with contract workers. The same procedure may also be used to send payslips to contract workers, who can decide to receive them via email instead of picking up the hard copy at the branch;
  - supply of FSC (*Forests for all forever*) certified paper for the Group, highlighting its commitment and rigour with regard to environmental issues.
  - in order to safeguard the environment, the usual plastic cups at the water stations located on the various floors of the head office have been replaced with other recyclable and environmentally-friendly paper.
  - in order to facilitate the zero-impact travel of its employees, Openjobmetis has equipped its headquarters and branches with bicycles and electric scooters that staff can reserve and use free of charge.

For further information on environmental matters, please refer to the aforementioned 2020 Consolidated Non-Financial Statement.

Reconciliation between the parent's financial statements and the consolidated financial statements

In compliance with the requirements set out in Consob communication no. DEM/6064293 of 28 July 2006, the following table shows the reconciliation between the net profit for the year and equity in the separate financial statements of the parent Openjobmetis S.p.A., and the net profit for the year and equity in the consolidated financial statements of the Openjobmetis Group for 2020 and 2019.

EUR thousand	Net profit for 2020	Equity at 31.12.2020
Openjobmetis S.p.A. Financial Statements	**24,536**	**120,376**
Profit for the year and reserves of the consolidated companies net of elimination of equity investments	460	(679)
Derecognition of dividends for the year	(2,700)	-
Recognition of goodwill, Lyve lease and Meritocracy software gross of the tax effect	(231)	4,293
Derecognition of equity investment impairment loss	1,500	-
Other consolidation adjustments	64	(1,057)
Reserve for the exercise of the option to purchase the remaining share of Lyve S.r.l.	-	(1,500)
Non-controlling interests	13	653
Group consolidated financial statements	**23,642**	**122,086**

EUR thousand	Net profit for 2019	Equity as at 31.12.2019
Openjobmetis S.p.A. Financial Statements	**10,386**	**99,576**
Profit for the year and reserves of the consolidated companies net of elimination of equity investments	2,736	664
Derecognition of dividends for the year	(3,300)	-
Recognition of goodwill and Meritocracy software gross of the tax effect	(231)	3,570
Derecognition of equity investment impairment loss	750	-
Other consolidation adjustments	33	(742)
Non-controlling interests	30	91
Group consolidated financial statements	**10,404**	**103,159**

Other information

Treasury shares

The Shareholders' Meeting called on 21 April 2020 authorised the Board of Directors to purchase and dispose of treasury shares, up to a maximum of 5.0% of the pro tempore share capital of Openjobmetis S.p.A., pursuant to the combined provisions of Articles 2357 and 2357-ter of the Italian Civil Code, as well as Article 132 of Legislative decree no. 58 of 24 February 1998. Subsequently, the Board of Directors' meeting called on 21 April 2020 resolved to launch the buyback programme from 22 April 2020, assigning EQUITA SIM as the financial intermediary. Note that on 31 December 2020, the Company directly held 685,600 treasury shares, equal to 5.0% of the share capital of Openjobmetis S.p.A.

Dividend policy

On 19 February 2019, the Board of Directors of Openjobmetis S.p.A. resolved to adopt, starting from the approval of the financial statements as at 31 December 2018, a dividend policy that provides for the proposal for the average distribution of 25% of the consolidated net profit for the three-year period 2018-2020.
On 21 April 2020 the Shareholders' Meeting resolved to distribute a dividend of EUR 0.21 per share gross of the withholding taxes required to be paid starting from 13 May 2020, with coupon No. 2 to be presented on 11 May 2020 and record date (date when payment of the dividend is legitimated pursuant to Article 83-terdecies of Legislative Decree no. 58 of 24 February 1998 and article 2.6.6.2 of the Regulation of the Markets Organised and Managed by Borsa Italiana S.p.A.) on 12 May 2020.

Management and coordination

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

Atypical or unusual transactions

The 2020 financial statements do not show any income components or financial items, arising from atypical and/or unusual events and transactions, as defined in Consob communication no. DEM/6064293 of 28 July 2006.

Annual report on Corporate Governance, compliance with the Corporate Governance Code and information on the ownership structure

The annual report on corporate governance and compliance with the Corporate Governance Code, which also provides information on the capital structure, is filed with the financial statements and will be made available to the public at the registered office and at Borsa Italiana S.p.A. within the time limits prescribed by law. The documentation will also be available on the company's website at: http://www.openjobmetis.it.

2020 Consolidated Non-Financial Statement pursuant to Legislative decree no. 254/2016

The 2020 Consolidated Non-Financial Statement pursuant to Legislative decree no. 254/2016 is filed with the financial statements and will be made available to the public at the registered office and at Borsa Italiana S.p.A. within the time limits prescribed by law. The documentation will also be available on the company's website at: http://www.openjobmetis.it. Please note that in accordance with the exemption laid out in Article 6 of Legislative decree no. 254/2016, the Non-Financial Statement was prepared only on a consolidated basis.

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

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

Domestic tax consolidation scheme

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

Amount paid to directors, statutory auditors and key management personnel

The table under point 33 of the notes to the consolidated financial statements shows the compensation paid in 2020 by Openjobmetis S.p.A. and its subsidiaries to members of the governing and control bodies and other key management personnel. This includes all the individuals who have held these positions even for just part of the year.

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

The company relies on the option, introduced by Consob with Resolution no. 18079 of 20 January 2012, to waive the obligation to make an information document available to the public about significant transactions related to mergers, demergers, share capital increases by way of contributions in kind, acquisitions and sales.

Proposed allocation of the parent's profit for the year

The Board of Directors, taking into account the company's development projects, proposes to resolve as follows with respect to profit for 2020:

- Allocation of a dividend to shareholders for a total of EUR 1,432,904.00
- Allocation to other reserves for Euro 23,102,677.54
- There was no allocation to the legal reserve, having reached one fifth of the share capital, as required by Article 2430 of the Italian Civil Code.

Milan, 16 March 2021

On behalf of the Board of Directors

The Chairman

Marco Vittorelli

(signed on the original)

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Financial Position

(In thousands of EUR)	Notes	31.12.2020	31.12.2019
ASSETS			
Non-current assets			
Property, plant and equipment	*4*	2,585	2,422
Right-of-use for leases	*4*	12,851	11,989
Intangible assets and goodwill	*5*	76,191	75,992
Financial assets	*6*	39	43
Deferred tax assets	*7*	22,540	1,559
Total non-current assets		**114,206**	**92,005**
Current assets			
Cash and cash equivalents	*8*	17,002	6,531
Trade receivables	*10*	108,911	116,357
Other assets	*11*	7,751	8,479
Current tax assets	*12*	280	1,081
Total current assets		**133,944**	**132,448**
Total assets		**248,150**	**224,453**
LIABILITIES AND EQUITY			
Non-current liabilities			
Financial liabilities	*13*	7,450	10,417
Lease liabilities	*13*	8,989	8,537
Derivative instruments	*13-30*	33	26
Non-current tax liabilities	*17*	1,435	0
Employee benefits	*14*	1,339	1,158
Total non-current liabilities		**19,246**	**20,138**
Current liabilities			
Bank loans and borrowings and other financial liabilities	*13*	14,240	14,140
Lease liabilities	*13*	3,665	3,514
Trade payables	*15*	10,456	7,942
Employee benefits	*14*	42,962	40,403
Other liabilities	*16*	32,840	33,171
Current tax liabilities	*17*	726	24
Provisions	*18*	1,929	1,962
Total current liabilities		**106,818**	**101,156**
Total liabilities		**126,064**	**121,294**
EQUITY			
Share capital		13,712	13,712
Legal reserve		2,834	2,315
Share premium reserve		31,193	31,193
Other reserves		50,065	45,474
Profit (loss) for the year attributable to the owners of the parent		23,629	10,374
Equity attributable to:			
Owners of the parent		121,433	103,068
Non-controlling interests		653	91

Total equity	*19*	**122,086**	**103,159**
Total liabilities and equity		**248,150**	**224,453**

Statement of Comprehensive Income

(In thousands of EUR)	Notes	2020	2019
Revenue	*20*	516,985	565,344
Costs of contract work	*22*	(453,274)	(491,887)
First contribution margin		**63,711**	**73,457**
Other income	*21*	8,649	12,763
Personnel expense	*22*	(32,270)	(33,224)
Cost of raw materials and consumables	*23*	(174)	(250)
Costs for services	*24*	(24,410)	(28,609)
Amortisation, depreciation and impairment losses	*4.5*	(4,973)	(4,824)
Impairment losses on trade receivables and other assets	*26*	(1,631)	(3,062)
Other operating expenses	*25*	(636)	(668)
Operating profit (loss)		**8,266**	**15,583**
Financial income	*27*	235	43
Financial expense	*27*	(536)	(737)
Profit (loss) before taxes		**7,965**	**14,889**
Income taxes	*28*	15,677	(4,485)
Profit (loss) for the year		**23,642**	**10,404**
Other comprehensive income (expense)			
Items that are or may subsequently be reclassified to profit/loss			
Fair value losses on cash flow hedges		(7)	(26)
Items that will not be reclassified to profit or loss			
Actuarial loss		(48)	(121)
Total other comprehensive expense		**(55)**	**(147)**
Comprehensive income for the year		**23,587**	**10,257**
Net profit (loss) for the year attributable to:			
Owners of the parent		23,629	10,374
Non-controlling interests		13	30
Profit (loss) for the year		**23,642**	**10,404**
Comprehensive income (expense) for the year attributable to:			
Owners of the parent		23,574	10,227
Non-controlling interests		13	30
Comprehensive income for the year		**23,587**	**10,257**
Earnings (loss) per share (in EUR):			
Basic	*38*	*1.81*	*0.79*
Diluted	*38*	*1.81*	*0.79*

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Statement of Changes in Equity

(In thousands of EUR)	Note	Share capital	Legal reserve	Share premium reserve	Other reserves	Hedging reserve and actuarial reserve	Profit (loss) for the year	Equity attributable to the owners of the Parent	Equity attributable to non-controlling interests	Total equity
Balances as at 01/01/2018	19	**13,712**	**1,112**	**31,553**	**29,808**	**(117)**	**12,240**	**88,308**	**0**	**88,308**
Allocation of profit (loss) for the year			**564**		**11,676**		**(12,240)**			
Acquisition of subsidiary with non-controlling interests									**41**	**41**
Actuarial gain (loss) on defined benefit plans						**63**		**63**		**63**
Options on subsidiaries					**(350)**			**(350)**		**(350)**
Repurchase of treasury shares					**(3,920)**			**(3,920)**		**(3,920)**
Rounding					**4**			**4**		**4**
Profit (loss) for the year	19						**12,356**	**12,356**	**20**	**12,376**
Comprehensive income	19					**63**	**12,356**	**12,419**	**20**	**12,439**
Balances as at 31/12/2018	19	**13,712**	**1,676**	**31,553**	**37,218**	**(54)**	**12,356**	**96,461**	**61**	**96,522**
Allocation of profit (loss) for the year			639	(360)	9,018		(9,297)			
Dividend distribution							(3,059)	(3,059)		(3,059)
Actuarial gain (loss) on defined benefit plans						(121)		(121)		(121)
Fair Value share-based plans					82			82		82
Fair value gains on cash flow hedges						(26)		(26)		(26)
Repurchase of treasury shares					(651)			(651)		(651)
Rounding					9	(1)		8		8
Profit (loss) for the year	19						10,374	10,374	30	10,404
Comprehensive income (expense)	**19**					**(147)**	**10,374**	**10,227**	**30**	**10,257**
Balances as at 31/12/2019	19	**13,712**	**2,315**	**31,193**	**45,676**	**(202)**	**10,374**	**103,068**	**91**	**103,159**
Allocation of profit for the year			519		9,855		(10,374)	0		0
Dividend distribution					(2,769)			(2,769)		(2,769)
Actuarial loss on defined benefit plans						(49)		(49)		(49)
Options on subsidiaries					(1,500)			(1,500)		(1,500)
Fair Value share-based plans					139			139		139
Fair value gains on cash flow hedges						(7)		(7)		(7)
Repurchase of treasury shares					(1,074)			(1,074)		(1,074)
Acquisition of subsidiary with non-controlling interests					8			8	549	557
Other adjustments					(12)			(12)		(12)
Profit (loss) for the year	19						23,629	23,629	13	23,642
Total comprehensive income (expense)	19					**(56)**	**23,629**	**23,573**	**13**	**23,586**
Balances as at 31/12/2020	19	**13,712**	**2,834**	**31,193**	**50,323**	**(258)**	**23,629**	**121,433**	**653**	**122,086**

Statement of Cash Flows

(In thousands of EUR)	Note	2020	2019
Cash flows from operating activities			
Profit (loss) for the year		23,642	10,404
Adjustments for:			
Depreciation of right-of-use IFRS 16	4	3,911	3,780
Depreciation of property, plant and equipment	*4*	472	450
Amortisation of intangible assets	*5*	590	594
Gains on sales of property, plant and equipment		27	8
Impairment loss on trade receivables	*26*	1,631	3,062
Current and deferred taxes	*28*	(15,677)	4,485
Net financial income	*27*	301	694
Cash flows before changes in working capital and provisions		**14,897**	**23,477**
Change in trade receivables and other assets gross of impairment loss	*10,11,26*	7,488	(4,634)
Change in trade payables and other liabilities	*15.16*	(78)	2,034
Change in employee benefits	*14*	2,623	479
Change in current and deferred tax assets and liabilities net of taxes paid for the year and current and deferred taxes for the year	*7,12,17,28*	370	418
Change in provisions	*18*	(33)	15
Income taxes		(2,161)	(6,483)
Cash flows generated by operating activities (a)		**23,106**	**15,306**
Cash flows from investing activities			
Purchase of property, plant and equipment	*4*	(618)	(639)
Proceeds from sales of property, plant and equipment		0	28
Other net increases in intangible assets	*5*	(221)	(198)
Acquisition of subsidiary, net of cash acquired		(541)	(275)
Change in other financial assets	*6*	4	(40)
Cash flows absorbed by investing activities (b)		**(1,376)**	**(1,124)**
Lease payments	*13*	(4,087)	(3,871)
Interest paid		(185)	(621)
Interest received		0	43
Purchase of equity investment from third parties		(200)	0
New loan disbursement	*13*	10,000	15,000
Dividend distribution		(2,769)	(3,059)
Repayment of loan instalments	*13*	(5,082)	(15,300)
Reurchase of treasury shares		(1,074)	(651)
Change in curret bank loans and borrowings and repayment of other loans	13	(7,862)	(5,670)

Cash flows absorbed by financing activities (c)		**(11,259)**	**(14,129)**
Cash flows for the year (a) + (b) + (c)		**10,471**	**53**
Cash and cash equivalents as at 1 January	*8*	**6,531**	**6,478**
Cash and cash equivalents as at 31 December	*8*	**17,002**	**6,531**

Notes to the Consolidated Financial Statements

General information

Openjobmetis S.p.A. (the "Company") is based in Italy, Via G. Fara 35, Milan.

The Group operates in the staffing industry i.e. the professional supply of permanent or fixed-term labour, pursuant to Article 20 of Legislative decree no. 276/2003 as amended and supplemented, pursuant to Article 4.1. a)thereof..

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

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

The impacts of the Covid-19 pandemic and the resilience of the Openjobmetis Group

With reference to what was indicated by the European Securities and Markets Authority (ESMA) on 28 October 2020 (European common enforcement priorities for 2020 annual financial reports) and in previous communications, and by CONSOB, referred to in "Warnings" no. 6/20 of 9 April 2020, no. 8/20 of 16 July 2020 and no. 1/21 of 16 February 2021, Group management has implemented regular monitoring of the actual and potential impacts of the Covid-19 emergency on the Group's business activities, financial situation and economic performance. Particular focus is being given to developments in the macroeconomic scenario and the labour market, as indicated in the directors' report, and credit risk and liquidity risk are undergoing specific assessments, as described in more detail below and in the directors' report.

The impact of the Covid 19 pandemic has obviously affected the performance of the Openjobmetis Group as well: the second quarter of the year was worse affected, with a drop in revenue of approximately 28% compared to the same period of the previous year. In particular, the month of April, with a drop in revenue of more than 40% compared to the same month of 2019, which suffered the most from the effects of the pandemic, as due to the "lockdown" imposed by the Italian Government most of the production activities had to temporarily close in Italy, with the exception of the so-called "essential activities" which were allowed to continue their operations, including those undertaken by Openjobmetis S.p.A..

Starting on 4 May (from 27 April only for certain companies and districts in the manufacturing sector as well as companies in the construction sector), the Government implemented a plan to return to normality, known as Phase 2, that led to a gradual reopening of activities. In this new phase, the month of May showed a growth in revenue that reached +40% compared to April, but remained below that recorded in May 2019 (-28%). The recovery continued in June, which saw revenue grow by a further 18% compared to May (-13% compared to June 2019). The half-year ended with a 14.9% drop in revenue. From the third quarter of 2020 there was a further recovery in revenue, which continued into the last part of the year: the third quarter recorded +25.2% on the second, and the fourth quarter +11.8% on the third. In addition, in the second half of the year, the gap with respect to 2019 gradually narrowed: in July, August and September 2020, the Group's total revenue decreased by only 4.2% compared to the same months of 2019 and in the last quarter of the year, revenue was actually in line with the same period of 2019 (-0.7%), despite the ongoing complex context and the fresh wave of Covid-19 infections in the autumn months, with simultaneous measures launched by the Government to contain the pandemic. The situation described above shows that Openjobmetis has shown a consistent resilience to the economic crisis resulting from the pandemic. There are two reasons for this: a) Openjobmetis is minimally exposed to the sectors most affected by the crisis, namely tourism, Ho.Re.Ca. (Hotel, Restaurant and Catering) and logistics and transport; b) Openjobmetis is generalist: by offering work to companies operating in all sectors, the Company is able to differentiate the risks (including those related to the pandemic) linked to specific sectors. This premise, together with the considerations made later in this paragraph, leads us to believe that the pandemic and the resulting crisis will not have a structural impact on the Group's business model and the context in which it operates, since there is no uncertainty regarding business continuity, but rather the main impact will be on *momentum*.

It should also be noted that the levels of absenteeism, resulting from the Covid-19 pandemic, returned to normal in the second half of the year after the leap in March and April.

In order to limit the economic and financial repercussions of the pandemic and maintain profitability, starting from April 2020 Openjobmetis adopted a plan to control and contain costs, the results of which were already visible from the second quarter of the year. It should also be noted that the Group took advantage of the government-sponsored lay-off scheme(Cassa Integrazione Guadagni) only for some subsidiaries which, due to the intrinsic characteristics of their business, could not operate during this complex phase, for example managerial training.

As at 31 December 2020, Openjobmetis benefited from the salary supplement (Trattamento di Integrazione Salariale - TIS) for contract workers of EUR 18,467 thousand, the amount of which is reimbursed by Forma.Temp and is recognised in the income statement for the period as a direct reduction of cost.

With a view to making a concrete contribution to the effort made by the Company, at all levels, in dealing with the impact of the Covid-19 emergency, on 15 May 2020 all beneficiaries identified for the first tranche of the phantom stock options plan formalised an unconditional and irrevocable waiver of the right to exercise options accrued for approximately EUR 441 thousand.

In relation to the lockdown months, the Group negotiated a number of reductions in the rents of properties for which, in application of the IASB amendment "Covid-19 related rent concessions – Amendment to IFRS 16", other income was recognised for EUR 256 thousand as at 31 December 2020.

The Group took into account the elements of uncertainty deriving from the spread of the Covid-19 pandemic as part of the impairment test on goodwill as at 31 December 2020, as specified in note 5 to the consolidated financial statements and note 4 to the separate financial statements. Based on the impairment test carried out, the value in use was higher than the carrying amount of the cash generating unit, and therefore no impairment losses were recognised as at 31 December 2020, as in previous years.

To date, there are no particular risk situations relating to the solvency of Openjobmetis Group customers compared to the pre-Covid period. This is demonstrated by the average collection times (DSO) which as at 31 December 2020 amounted to 76 days, in line with the figure as at 31 December 2019 (74 days). In addition, net financial indebtedness was also down as at 31 December 2020 (EUR 17.4 million vs EUR 30.1 million at 31 December 2019), with cash flow generated by operating activities of EUR 23.1 million (EUR 15.3 million as at 31 December 2019). Nevertheless, as a precautionary measure in the first half of the year the Group decided to take out two additional 18-month loans with leading credit institutions, for a total of EUR 10 million which, together with the existing on-current loans, would provide further protection in the event of any financial tension on the markets.

Openjobmetis S.p.A. continued to operate regularly during the year, guaranteeing normal support to user companies. Headquarters and branch activities were carried out thanks to a very efficiently implemented "agile work" plan, based on the use of digital communication and sharing platforms. The company officially reopened its offices on 18 May 2020. To safeguard the health of its employees, a detailed safety protocol was launched which set out, among other things: dividing up the various departments into groups to maximise social distancing, measuring body temperature upon entry to the offices, distributing disinfectant hand gel stations and separating neighbouring workspaces using Plexiglas panels. In addition, each employee was given a PPE kit consisting of masks and face shields. Employees are regularly given additional masks. Lastly, on several occasions (for example, when returning from summer and winter holidays), the Group's personnel were given the opportunity to carry out serological tests or swabs free of charge.

In relation to the purchase of PPE for the Group's personnel and for the adjustment of working spaces and relative interventions, costs were incurred during the year for approximately EUR 150 thousand.

In 2020, the parent took advantage of the possibility of realigning the tax value of goodwill, in accordance with article 110.8/8-bis of Law decree no. 104/2020, with a positive effect on income taxes for a total of EUR 18.0 million (for further details, please refer to point 28 of the notes to the consolidated financial statements).

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

1. Accounting standards and statement of compliance

These consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and interpretations thereof in force as at 31 December 2020, as well as measures issued in implementation of article 9 of Legislative decree no. 38/05. The rules of national legislation implementing directive 2013/34 EU also apply, insofar as they are compatible, to companies that prepare IFRS financial statements. Therefore, the financial statements incorporate what is laid out in the articles of the Italian Civil Code and the corresponding rules of the CFA for listed companies on the matter of the directors' reportdirectors' report, auditing and the publication of financial statements. The consolidated financial statements and the related notes also provide the details and supplementary information required by other rules and provisions of Consob on the financial statements. The consolidated financial statements contain the statement of financial position, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the related notes.

In preparing these consolidated financial statements, the following formats, selected from the various options allowed by IAS 1, were used:

- the statement of financial position was prepared by classifying the assets and liabilities as current/non-current assets/liabilities;

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- the statement of comprehensive income was prepared by classifying the items by nature;
- the statement of cash flows was prepared using the indirect method.

The purpose of the notes is to illustrate the preparation criteria adopted and to provide the information required by IFRS and not contained in other parts of the financial statements, as well as any additional information that is not shown in the financial statements but is necessary for a reliable representation of the Group's activities.

The consolidated financial statements were prepared on the basis of the accounting records as at 31 December 2020 on a going concern basis and are accompanied by the directors' reportdirectors' report.

The Group's consolidated financial statements as at and for the year ended as at 31 December 2020 were approved by the Board of Directors of the parent at the meeting held on 16 March 2021, when the sharing of the results through a press release dated 16 March 2021 containing the main elements of the financial statements was authorised. The parent's Board of Directors has the authority to amend the consolidated financial statements until the date of the Shareholders' Meeting called to approve the parent's financial statements. The Shareholders' Meeting has the authority to request changes to these consolidated financial statements.

The consolidated financial statements and related notes were prepared with amounts rounded to the nearest thousand Euros, the functional currency of the Group. Moreover, for the purpose of transparency, the mandatory items pursuant to IAS 1 with zero balances were omitted in the schedules and tables, in both periods presented for comparison.

In compliance with Consob resolution no. 15519 of 27 July 2006 and Consob Communication no. DEM/6064293 of 28 July 2006, note 36 indicates separately the events or transactions whose occurrence is non-recurring or those transactions or events which do not occur frequently in the ordinary course of business. Also in application of the same Consob references, any incidences of non-recurring significant events and transactions are reported in note 36, while in note 32 the related incidences regarding positions and transactions with related parties are indicated separately.

The most important accounting policies and standards used by the Group to prepare the consolidated financial statements are described below.

2. Significant accounting policies

(a) General, adoption of new accounting standards, amendments and interpretations issued by the IASB

New accounting standards adopted by the Group from 1 January 2020

These consolidated financial statements have been prepared using the same accounting standards applied by the Group in the last annual financial statements. There are no new standards or amendments that entered into force on 1 January 2020 and that have a significant impact on the consolidated financial statements, besides the amendment to IFRS 16 "Concessions on fees related to Covid-19".

Use of estimates and valuations

While preparing the financial statements, company management had to formulate valuations, estimates and assumptions that affect the application of the accounting policies and the amounts of assets, liabilities, costs and revenue recognised in the financial statements; however, it should be noted that, since these are estimates, the results achieved will not necessarily be the same as the amounts shown in the financial statements.

These estimates and assumptions are regularly revised; any changes resulting from the revision of accounting estimates are recognised in the year in which the revision is carried out and in future years.

The main subjective assessments made by Group management in applying the accounting standards and the main sources of uncertainty in estimates were the same as those applied for the preparation of the financial statements for the year ended 31 December 2019.

In particular, information on the areas of greater uncertainty in the formulation of estimates and valuations during the process of application of IFRS that have a significant effect on the amounts recognised in the financial statements together with aspects of particular significance are provided below:

- *Impairment testing on goodwill*

Goodwill is subject to impairment tests at least annually or more often if there are indicators of an impairment loss.

Impairment testing is carried out using the discounted cash flow method: this method is highly sensitive to the assumptions contained in the estimate of future cash flows, with reference to changes in revenue, margins and collection terms from customers, and of interest rates used.

For this assessment, the Group uses plans approved by the administrative body and financial parameters in line with those resulting from the current performance of the reference markets.

Details regarding the procedures for preparing the goodwill impairment test are provided in note 5.

- *Measurement of trade receivables*

The Group accrues a provision for impairment that reflects the estimate of losses on trade receivables, the main components of which are the individual impairment of significant exposures or those subject to disputes and collective impairment of homogeneous groups of trade receivables against losses that have not yet been identified. Collective impairment is determined on the basis of historical losses, adjusted if necessary by scale factors reflecting the differences between the economic conditions of the period during which the historical data was collected and the Group's point of view about the economic conditions over the entire expected life of the assets. Therefore, the loss allowance is calculated based on estimates of losses on trade receivables that the Group expects to incur and takes into account multiple elements, including:

- trade receivables' ageing;
- customer's solvency;
- historical figures, adjusted if necessary by scalar factors to reflect the economic conditions estimated over the entire expected lives of the receivables.

When there is certainty that it will not be possible to recover the amount due, the amount considered irrecoverable is written off directly from the relative value of the financial asset.

The above requires the management to make significant estimates with regard to general economic conditions and any possible negative trends in the credit markets that could negatively impact on customer relations.

- *Provisions*

The Group companies are parties in certain proceedings, arising from the conduct of business and from events of a civil and tax nature involving the companies.

In addition, in view of the sector in which they operate, they are exposed to the risk of being involved in legal and/or arbitration proceedings of a labour law nature, both with reference to contract workers and to the organisational structure of the Group and in relation to contracts with independent collaborators.

In the event that it is considered probable that as a result of the dispute a disbursement of resources - the amount of which can be reliably estimated - will be required, this amount, discounted to take account of the time horizon along which the disbursement will take place, is included in the provisions for risks. Disputes for which the occurrence of a liability is considered only possible but not probable are disclosed in the relevant section on commitments and risks and, as a result, no allocations are made with respect thereto.

Assessing the development of such disputes can be complicated and requires the management to make significant estimates.

- *Leases*

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

(b) Consolidation criteria and scope

(i) Business combinations

The Group records business combinations by applying the acquisition method on the date on which it actually obtains control of the acquiree. The transferred consideration and the identifiable net assets acquired are usually recognised at fair value. The carrying amount of goodwill is tested for impairment on an annual basis to identify any impairment losses. Any gain arising from a bargain purchase is recognised immediately in profit or loss for the year, whereas costs related to the business combination, other than those related to the issue of debt or equity instruments, are recognised as expense in profit or loss for the year when incurred.

The amounts related to the termination of a pre-existing relationship are excluded from the transferred consideration. Normally, these amounts are recognised in profit or loss for the year.

The contingent consideration is recognised at fair value at the date of acquisition. If the contingent consideration is classified as equity, it is not recalculated and its subsequent settlement is directly accounted for in equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss for the year.

If the incentives recognised in share-based payments (replacement awards) are exchanged with awards held by employees of the acquiree (acquiree awards), the amount of these replacement awards of the acquiree is fully or partially included in the measurement of the transferred consideration for the business combination. This measurement considers the difference of the market value of the replacement awards compared to that of the acquiree awards and the proportion of replacement awards that refers to services provided before the business combination.

(ii) Non-controlling interests

Non-controlling interests are measured in proportion to the relevant share of identifiable net assets of the acquiree on the date of acquisition.

The changes in the equity investment of the Group in a subsidiary that do not imply the loss of control are accounted for as transactions between owners.

(iii) Subsidiaries

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

The subsidiaries included in the consolidation scope as at 31 December 2020 and 31 December 2019 are shown below:

Company name	**% held as at 31/12/2020**	**Registered office**	**Share capital**
Openjob Consulting S.r.l.	100%	Gallarate, Via Marsala 40/C	EUR 100,000
Seltis Hub S.r.l.	100%	Milan, Via G. Fara 35	EUR 110,000
H.C. S.r.l.	92.86%	Milan, Via G. Fara 35	EUR 40,727
Family Care S.r.l. Employment Agency	100%	Milan, Via G. Fara 35	EUR 1,100,000
Jobdisabili S.r.l.	100%	Milan, Corso Italia 22	EUR 29,432
Lyve S.r.l.	50.66%	Milan, Via Boscovich, 23	EUR 451,758

On 1 January 2020, the transfer to Family Care S.r.l –Employment Agency of the business unit - which includes the assets and liabilities relating to the care of elderly and non-self-sufficient people- became effective. This transfer has had no impact on the Group's consolidated financial statements.

On 24 January 2020, Corium S.r.l., a company wholly owned by Openjobmetis S.p.A., first merged into HC S.r.l., previously owned 70% by Openjobmetis S.p.A., and subsequently changed its name to the name of the merged company.

On 31 January 2020, Openjobmetis S.p.A. acquired 100% of the share capital of Jobdisabili S.r.l., owner of the brand "Jobmetoo" (https://www.jobmetoo.com), an online platform specialising in the recruitment and selection of staff with disabilities.

By means of a deed dated 5 October and effective from 19 October, Meritocracy S.r.l. was merged into Seltis S.r.l.

On 2 November, the extraordinary Shareholders' Meeting of Seltis S.r.l. resolved to change the name of the company to Seltis Hub S.r.l.

On 9 November, Openjobmetis S.p.A. acquired 50.66% of Lyve S.r.l., a training company in the insurance and financial services sector.

Company name	**% held as at 31/12/2019**	**Registered office**	**Share capital**
Openjob Consulting S.r.l.	100%	Gallarate, Via Marsala 40/C	EUR 100,000
Seltis S.r.l.	100%	Milan, Via G. Fara 35	EUR 110,000
Corium S.r.l.	100%	Milan, Via G. Fara 35	EUR 32,000
Meritocracy S.r.l.	100%	Milan, Via G. Fara 35	EUR 25,000
H.C. S.r.l.	70%	Milan, Via G. Fara 35	EUR 10,000
Family Care S.r.l. Employment Agency	100%	Milan, Via G. Fara 35	EUR 1,000,000

(iv) Loss of control

In the case of loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other equity components related to the subsidiaries. Any profit or loss deriving from the loss of control is recognised in profit or loss for the year. Any equity investment retained in the former subsidiary is measured at fair value at the date of loss of control.

(v) Transactions derecognised during the consolidation

During the preparation of the consolidated financial statements, the balances of intragroup transactions as well as intragroup unrealised revenue and costs are derecognised. Unrealised gains deriving from transactions with equity-accounted investees are derecognised in proportion to the Group's interest in the body. Unrealised losses are derecognised in the same way as unrealised gains to the extent that there are no indicators showing impairment.

(c) Cash and cash equivalents

Cash and cash equivalents include cash balances and sight deposits and are recognised at their nominal amount, which corresponds to their fair value.

(d) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments include investments in equities and debt instruments, trade receivables and other assets, financial liabilities, trade payables and other liabilities.

Trade receivables and debt securities issued are recognised when they arise. All other financial assets and financial liabilities are initially recognised at the trade date, i.e. when the Group becomes a contractual party to the financial instrument.

Except for trade receivables that do not contain a significant financing component, financial assets are initially measured at fair value plus or minus, in the case of financial assets or financial liabilities not measured at FVTPL, the transaction costs directly attributable to the acquisition or issue of the financial asset. At the time of initial recognition, trade receivables that do not have a significant financing component are measured at their transaction price.

At the time of initial recognition, a financial asset is classified according to its assessment: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, unless the Group changes its business model for the management of financial assets. In this case, all financial assets concerned are reclassified on the first day of the first year following the change in business model.

A financial asset shall be measured at amortised cost if both of the following conditions are met and it is not designated at FVTPL: the financial asset is held within the framework of a business model whose objective is the possession of financial assets aimed at collecting the related contractual cash flows; and the contractual terms of the financial assets involve, at certain dates, cash flows exclusively represented by payments of capital and interest on the amount of capital to be returned.

At the time of initial recognition of an equity instrument not held for trading purposes, the Group may make the irrevocable decision to present subsequent changes in fair value in other comprehensive income (expense). This decision is made for each asset.

A financial asset shall be measured at FVOCI if both of the following conditions are met and it is not designated at FVTPL: the financial asset is held within the framework of a business model whose objective is achieved either through the collection of the contractual cash flows or through the sale of the financial assets, and the contractual terms of the financial assets involve, at certain dates, cash flows exclusively represented by payments of capital and interest on the amount of capital to be returned.

At the time of initial recognition of an equity instrument not held for trading purposes, the Group may make the irrevocable decision to present subsequent changes in fair value in other comprehensive income (expense). This decision is made for each asset.

All financial assets not classified as measured at amortised cost or FVOCI, as indicated above, are measured at FVTPL.

At the time of initial recognition, the Group may irrevocably designate the financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting asymmetry that otherwise would result from the measurement of the financial asset at amortised cost or FVOCI.

For the purposes of assessment, the "capital" is the fair value of the financial asset at the time of initial recognition, while the "interest" constitutes consideration for the time value of money, for the credit risk associated with the amount of capital to be returned during a given period of time and for other risks and base costs linked to the loan (for example, liquidity risk and administrative costs), as well as the profit margin.

In assessing whether the contractual cash flows are represented exclusively by payments of principal and interest, the Group considers the contractual terms of the instrument. Therefore, it assesses, among other things, whether the financial asset contains a contractual clause that changes the timing or the amount of the contractual cash flows so as to not meet the following condition. For the purposes of the assessment, the Group considers: contingent events which would alter the timing or amount of the cash flows; clauses which may adjust the contractual interest rate of the coupon, including variable rate components; prepayment and extension components; and clauses which limit requests of cash flows by the Group from specific assets (for example, non-recourse components).

The financial assets of the Group, relating to trade receivables and other assets, are classified as measured at amortised cost. These financial assets are then recognised as described above, and subsequently measured at amortised cost in accordance with the effective interest method. Impairment losses are deducted from the amortised cost. Interest income, exchange rate gains and losses and impairment losses are recognised in profit or loss for the year as well as any gains or losses on derecognition.

Before 1 January 2018, these financial assets were measured at amortised cost using the effective interest method, less impairment losses.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified at FVTPL when it is held for trading, represents a derivative or is designated as such upon initial recognition. Financial liabilities at FVTPL are measured at fair value and any changes, including interest expense, are recognised in the profit or loss for the year. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and exchange rate gains and losses are recognised in profit or loss for the year, as well as any gains or losses deriving from derecognition. The Group's financial liabilities are classified as measured at amortised cost.

Financial assets are derecognised when the contractual rights to the cash flows arising therefrom expire, when the contractual rights to receive the cash flows within the scope of a transaction in which substantially all the risks and rewards incidental to the ownership of the financial asset are transferred or when the Group neither transfers nor retains substantially all the risks and rewards incidental to the ownership of the financial asset and does not maintain control of the financial asset.

The Group proceeds to derecognise a financial liability when the obligation specified in the contract has been fulfilled or cancelled or has expired. The Group also derecognises a financial liability when the associated contractual terms are changed and the cash flows of the modified liability are substantially different. In this case, a new financial liability is recognised at fair value on the basis of the modified contractual terms. The difference between the accounting value of the extinguished financial liability and the consideration paid (including assets not represented by cash transferred or liabilities assumed) is recognised in the profit or loss for the year.

Financial assets and liabilities may be offset and the amount resulting from offsetting is presented in the statement of financial position if, and only if, the Group currently has the legal right to offset such amounts and intends to adjust the balance on net bases or recover the asset and adjust the liability simultaneously.

Trade receivables and other assets

Trade receivables and other assets are identified as financial assets measured at amortised cost, and are initially recognised at the transaction price for trade receivables and at fair value for other receivables, which generally corresponds to their nominal amount, and subsequently measured at amortised cost net of any impairment losses identified. The impairment test of assets is based on the present value of expected cash flows.

Loss allowances are always measured at an amount equal to the expected losses along the life of the receivable; the Group takes into consideration reasonable and supportable information that is relevant and available. This includes quantitative and qualitative information and analyses, based on the past experience of the Group, on credit assessment as well as forward-looking information.

Loans and borrowings

Payments on account and loans and borrowings are initially recognised at the fair value of the amount received, net of directly attributable additional charges. Subsequently, they are measured at amortised cost using the effective interest rate method. They are classified as current liabilities or non-current liabilities according to their settlement date.

Trade payables and other liabilities

Trade payables and other liabilities, the due date of which falls within normal current commercial terms, are initially recognised at fair value and subsequently recorded at amortised cost.

Derivatives

The Group uses derivatives to hedge its exposure to risks of changes in interest rates. Derivatives are initially recognised at fair value; attributable transaction costs are recognised in profit or loss when incurred. After initial recognition, derivatives are measured at fair value. Their changes are accounted for as described below. At the initial designation of the hedge, the Group documents the relationship between the hedging instruments and the hedged item, including the risk management objectives, the strategy for undertaking the hedge, together with the methods that will be used to assess the effectiveness of the hedging instrument. Both at the beginning of the hedge and during its period of validity, the Group assesses whether the hedge is expected to be highly effective in offsetting the changes in fair value or cash flows attributable to their hedged items during the period for which the hedge is designated and if the actual results of each hedging range from 80% to 125%. In cash flow hedging transactions of a forecast transaction, the transaction must have a high probability of occurring and must present an exposure to changes in cash flows that could have an effect on profit or loss.

Changes in the fair value of the derivative designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. For the ineffective portion, changes in fair value are recognised in profit or loss.

Hedge accounting, as indicated above, is discontinued prospectively if the instrument designated as a hedge no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised. The accumulated gain or loss is kept in equity until the envisaged transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount at the time at which it is recognised. In other cases, the amount recognised in equity is transferred to profit or loss in the same year in which the hedged item affects profit or loss.

(e) Share capital – repurchase and reissue of ordinary shares (treasury shares)

In the event of the repurchase of shares recognised in equity, the consideration paid, including any costs directly attributable to the transaction are recognised as a decrease in equity. Repurchased shares are classified as treasury shares and recorded in the reserve for treasury shares. The consideration received from the subsequent sale or reissue of treasury shares is recorded as an increase in equity. Any gain or loss resulting from the transaction is recorded in the share premium reserve.

(f) Property, plant and equipment

An item of property, plant and equipment is measured at cost less accumulated depreciation and impairment losses.

The historical cost includes any costs directly attributable to the acquisition of the asset.

If significant components have different useful lives, these components are recorded separately.

The cost of an asset produced on a time and materials basis includes the cost of materials used and of direct labour as well as other directly attributable costs for taking the asset to the location and under the conditions required for working as intended by company management.

Costs incurred after initial recognition of an item of property, plant and equipment are added to the carrying amount of the asset to which they refer if it is probable that the related future benefits will flow to the Group if the cost of the item can be reliably measured. Ordinary maintenance costs of property, plant and equipment are recognised in profit or loss during the year in which they are incurred.

The gains and losses generated by the sale of any property, plant or equipment are determined as the difference between the net proceeds on the sale and the carrying amount of the asset, and are recognised in profit or loss at the time of the disposal.

Depreciation is charged to profit or loss on a straight-line basis over the expected useful life of each item of property, plant and equipment estimated by the Group, which is reviewed every year and changes, where necessary, are applied prospectively.

The estimated useful lives in the years under review are as follows:

Asset	Depreciation
Property	33.3 years
Telephone systems	4 years
Electric installations	6.6 years
Furniture and fixtures	8.3 years
Electronic office machines	5 years
Signs	6.6 years
Sundry equipment	6.6 years
Motor vehicles	4 years
Alarm systems	3.3 years

Leasehold improvements are depreciated over the shorter between the useful life and the term of the contract to which they refer.

(g) Leased assets

At the inception of the lease, the Group recognises the right-of-use asset and the lease liability. The right-of-use asset is initially measured at cost, including the amount of the initial measurement of the lease liability, adjusted by the payments due for the lease made at or before the start date, increased by the initial direct costs incurred and an estimate of the costs that the lessee will have to incur to dismantle and remove the underlying asset or for the restoration of the underlying asset or site where it is located, net of lease incentives received.

The right-of-use asset is subsequently depreciated on a straight-line basis from the start date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group at the end of the lease term or, considering the cost, for the right of use, it is expected that the Group will exercise the purchase option. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, determined on the same basis as that of property and equipment. In addition, the right-of-use asset is regularly reduced by any impairment losses and adjusted to reflect any changes resulting from subsequent valuations of the lease liability.

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

The marginal borrowing rate of the Group is calculated on the basis of the interest rates obtained from various external sources of financing by making some adjustments that reflect the conditions of the lease and the type of leased asset.

The lease liability is measured at amortised cost using the effective interest method and remeasured in the event of a change in future lease payments resulting from a change in an index or a rate, in the event of a change in the amount expected by the Group to be due under residual value guarantees or when the Group changes its assessment with reference to whether it will exercise a purchase, extension or termination option, or in the event of a revision of in-substance fixed lease payments.

When the lease liability is remeasured, the lessee makes a corresponding change to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero, the lessee recognises the change in the profit or loss for the year.

The Group recognised new assets and liabilities mainly for its leases on properties at the headquarters and from which its branches operate, and for leases on company cars. In general, real estate leases have a term of six years and contain an option to renew for a further six years exercisable at the end of the binding period, while car leases have a term of three or four years and do not contain an option to renew. Real estate leases allow the Group to withdraw from the contract with six months' notice.

The Group decided not to recognise right-of-use assets and lease liabilities relating to low-value assets and short-term leases. The Group recognises the related lease payments as an expense on a straight-line basis over the lease term.

(h) Intangible assets and goodwill

(h.1) Goodwill

Goodwill is recognised at cost, net of accumulated impairment losses, calculated as indicated below.

Goodwill is tested for impairment based on expected future cash flows on an annual basis or more frequently if events or changes in circumstances that may give rise to any impairment losses occur. The impairment loss is not reversed if the reasons that generated it no longer exist. Please see section *(i) Impairment losses* below.

(h.2) Customer relations

The value of customer relations was recorded based on the fair value identified on 30 June 2007, the business combination date between "Wm S.r.l." and the former "Openjob S.p.A.". The historical cost increased due to the acquisition of the business unit of "J.O.B. S.p.A." in 2009, the business combination with "Metis S.p.A" in 2011 and, lastly, the acquisition of the "Noi per Voi S.r.l." customer database on 1 July 2016. The value of customer relations was amortised based on the economic useful life estimated by the appraisals prepared by independent experts: 7.5 years for the business combination between "Wm S.r.l." and the former "Openjob S.p.A." and the acquisition of the business unit "J.O.B. S.p.A.", and 4.5 years for the business combination with Metis S.p.A, and, lastly, 4.5 years for the purchase of the "Noi per Voi S.r.l." customer database.

(h.3) Other intangible assets

Other intangible assets acquired by the Group, which have a finite useful life, are recognised at cost, less accumulated amortisation and accumulated impairment losses and mainly include the software purchased from third parties and amortised over three years, and the value of the *Databook* software developed internally (in use from 2017) and the Meritocracy platform, both amortised over five years.

(i) Impairment losses

(i.1) Financial assets

A financial asset is impaired if there is any objective evidence that one or more events have had a negative effect on the expected estimated cash flows of that asset.

An impairment loss on a financial asset measured at amortised cost is the difference between the carrying amount and the present value of the estimated cash flows, discounted at the original effective interest rate.

Individually significant financial assets are tested separately to determine whether they have been impaired. The other financial assets are tested collectively for groups with similar credit risk characteristics.

All expected impairment losses are recognised in profit or loss.

Expected impairment losses are reversed if the subsequent increase in value can be objectively related to an event that occurred after the impairment. The reversal is recognised in profit or loss.

(i.1.1) Trade receivables

The Group accrues a provision for impairment that reflects the estimate of losses on trade receivables, whose main components are the individual impairment of significant exposures or those subject to disputes and collective impairment of homogeneous groups by nature and maturity of receivables against losses that have not yet been identified. Collective impairment is determined on the basis of historical losses, adjusted if necessary by scale factors reflecting the differences between the economic conditions of the period during which the historical data was collected and the Group's point of view about the economic conditions over the entire expected life of the assets. Therefore, the loss allowance is calculated based on estimates of impairment losses that the Group expects to incur and takes into account multiple elements, including:

- trade receivable ageing;
- customer solvency;
- prior experience, adjusted if necessary by scalar factors to reflect the economic conditions estimated over the entire expected lives of the receivables.

When there is certainty that it will not be possible to recover the amount due, the amount considered irrecoverable is written off directly from the related financial asset.

The loss allowance for financial assets measured at amortised cost is deducted from the gross carrying amount of the assets.

(i.2) Non-financial assets

At the end of each reporting period, the Group tests the carrying amounts of its financial assets for impairment. If this test shows that the assets have actually been impaired, the Group estimates their recoverable amount. The recoverable amount of goodwill and of the intangible assets that are not yet available for use is estimated at each reporting date.

When the carrying amount of an asset or of a cash-generating unit exceeds its recoverable amount, the Group recognises the related impairment loss. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognised in profit or loss. Impairment losses of cash-generating units are charged first of all as a reduction of the carrying amount of the goodwill assigned to the cash-generating unit and, secondly, as a reduction of the other assets of the unit (group of units) proportionally to the carrying amount.

The recoverable amount of an asset or of a cash-generating unit is the higher of its value in use and its fair value less costs to sell. To determine the value in use, the Group uses the estimated expected cash flow discounting method. The cash flows are discounted by using a discount rate that reflects the current market evaluations of the time value of money and of the asset's specific risks (WACC - weighted average cost of capital). Expected cash flows are inferred from plans approved by the competent Board of Directors.

Impairment losses of goodwill cannot be reversed. In the case of other assets, at each reporting date, impairment losses recognised in previous years are measured in order to recognise the existence of any indication suggesting the possible reduction or non-existence of the loss. The impairment of an asset is reversed when a change occurs in the valuations used for calculating the recoverable amount. The carrying amount resulting from the reversal of the impairment loss must not exceed the carrying amount that would have been determined (net of amortisation) if the impairment loss on the asset had never been recorded.

(l) Taxes

Taxes for the year include current taxes and deferred taxes. Income taxes are recognised in profit or loss, except those related to transactions recognised directly in equity that are accounted for in it.

Current taxes represent the estimate of the amount of the income taxes due, calculated on the taxable profit for the year, determined by applying the tax rates in force or essentially in force at the end of the reporting period and any adjustment to the amount related to the previous years.

Deferred taxes are allocated in compliance with the equity method, calculating the temporary differences between the carrying amounts of assets and liabilities recorded in the financial statements and the corresponding values recognised for tax purposes. Deferred taxes are not allocated for the following temporary differences: initial recognition of goodwill, initial recognition of assets or liabilities in a transaction other than a business combination that does not affect the accounting profit or the taxable profit, as well as in the case of differences relating to investments

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in subsidiaries and companies subject to joint control for which it is possible to control the cancellation time and it is likely that in the foreseeable future the temporary difference will not be reversed. Deferred tax assets and liabilities are measured using the tax rates that are expected to be applicable in the year in which the asset or the liability to which they refer will be realised or discharged, respectively, on the basis of tax rates established by the measures in force or essentially in force at the reporting date.

Deferred tax assets are recognised to the extent that a future taxable profit against which these assets can be used may be available. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be achieved.

Additional income taxes resulting from the distribution of dividends are accounted for when the liability for the dividend payment is recognised. There are no reserves that will be taxed when distributed.

(m) Provisions

The Group recognises a provision when it has assumed a (legal or constructive) obligation, which can be reliably estimated and is the result of a past event, and it is also likely that the utilisation of resources that can produce economic benefits will be necessary to fulfil the obligation. The amount of the provision is represented by the present value of expected estimated cash flows discounted at a pre-tax rate that reflects current market evaluations of the present value of money and the risks specific to the liability.

The Group recognises a provision for restructuring when the detailed and formal programme for restructuring has been approved and the restructuring has either started or been publicly announced. No provisions have been set aside for future operating costs.

(n) Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as a cost in profit or loss in the year in which they are incurred. Contributions paid in advance are recognised under Assets to the extent that the advance payment will result in a reduction of future payments or a refund.

Defined benefit plans

The Group's net liability deriving from defined benefit plans is calculated separately for each plan by estimating the amount of the future benefit that the employees accrued in exchange for their services carried out in the current year and in prior years; this benefit is discounted and the fair value of plan assets is deducted from the liabilities.

The calculation is carried out by a third-party consultant using the projected unit credit method. If the calculation generates a benefit for the Group, the amount of the asset recognised is limited to the present value of the economic benefits available in the form of repayments from the plan or of reductions in future contributions of the plan. In order to determine the present value of the economic benefits, minimum funding requirements that apply to any plan in the Group are considered.

Actuarial gains and losses, returns on plan assets (excluding interest) and the effect of the ceiling of the asset (excluding any interest) that arise as a result of revaluations of the net liability for defined benefit plans are immediately recognised in other comprehensive income (expense). Net interest for the year on the liability/(asset) for defined benefits are calculated by applying to the the discount rate used for discounting the defined-benefit obligation to the lianility/(asset), calculated at the beginning of the year, considering any changes in the liability/(asset) for defined benefits occurred during the year following the payment of contributions and benefits. Net interest and other costs relating to defined benefit plans are recognised in the profit or loss for the year.

When changes are made to the benefits of a plan or when the plan is curtailed, the portion of the economic benefit related to past services or the gain or loss deriving from the curtailment of the plan are recognised in profit or loss for the year when the adjustment or the reduction occurs.

The post-employment benefits due to the employees pursuant to Article 2120 of the Italian Civil Code fall within defined benefit pension plans, plans based on the working life of employees and on the remuneration received by the employee during a previously established service period.

In particular, the liability for post-employment benefits is recorded in the financial statements based on its actuarial value, as it qualifies as an employee benefit payable under a defined benefit plan. Recognition in the financial statements requires estimating with actuarial techniques the amount of employee benefits accrued in exchange for the work carried out in the current and prior years and the discounting of these benefits in order to determine the present value of the commitments of the Group.

Italian law no. 296 of 27 December 2006 (2007 Finance Act) introduced new rules for post-employment benefits accruing from 1 January 2007.

Following the supplementary pension reform:

- the portions of post-employment benefits accrued up until 31 December 2006 remain at the company;

- the portions of post-employment benefits accruing since 1 January 2007 must, at the employee's option, according to explicit or tacit acceptance:

a) be allocated to supplementary pension plans;

b) be held by the company, which will transfer the portions of post-employment benefits to the treasury fund managed by INPS (the Italian Social Security Institution).

In both cases, the portions of post-employment benefits accrued after 1 January 2007 (or on the date the choice is made in the case of allocation to supplementary pension plans) are considered as a defined contribution plan.

The 2007 Finance Act did not involve any amendment in the accrued post-employment benefits as at 31 December 2006, which therefore falls within the defined benefit pension plans. Moreover, as a result of the new regulations introduced by the 2007 Finance Act, the post-employment benefits "accrued" before 1 January 2007 (or on the date the choice is made in the case of allocation to supplementary pension plans) undergo a significant change in calculation since the actuarial assumptions previously linked to salary increases no longer exist. More specifically, the liability related to the "accrued post-employment benefits" is measured using actuarial techniques as at 1 January 2007 (or on the date the choice is made in the case of allocation to supplementary pension plans) without applying the pro-rata (years of service already worked/total years of service), in that the employee benefits up until 31 December 2006 (or on the date the choice is made in the case of allocation to supplementary pension plans) can be considered almost entirely accrued (with the sole exception of revaluation). It follows that, for the purposes of this calculation, "current service costs" related to future employee work must be considered null and void in that they are represented by payments of contributions to supplementary pension funds or to the INPS treasury fund.

Current benefits

Current employee benefits are recognised as a cost on an undiscounted basis when the service giving rise to such benefits is supplied.

The Group recognises a liability for the amount expected to be paid in the form of profit sharing and incentive schemes when it has an actual, legal or constructive obligation to make such payments as a result of past events and the obligation can be reliably estimated.

Non-current employee benefits

The Group's liability as a result of non-current employee benefits corresponds with the amount of the future benefit that the employees have earned for work done in the current year and in previous years. This benefit is discounted. Revaluations are recognised in profit or loss for the year when they arise.

Termination benegits

Termination benefits are recognised as an expense when the Group has committed without possibility of withdrawal to provide such benefits, or when the Group recognises restructuring costs, whichever is earlier. Benefits that are entirely payable more than twelve months after the end of the financial year are discounted.

Share-Based Payments

The fair value of the amount due to employees with regard to the share revaluation rights, settled in cash, is recognised as a cost with a corresponding increase in liabilities over the period during which employees become entitled to the unconditional right to receive the payment. The liability is measured at the end of each reporting period and at the settlement date on the basis of the fair value of the rights of share revaluation. Any changes in the fair value of the liability are recognised in profit or loss as personnel costs.

The fair value of the amount payable to employees with regard to the share revaluation rights, settled in shares, is recognised as a cost with a corresponding increase in equity over the period during which employees become entitled to the unconditional right to receive the shares. Any changes in fair value after the date of assignment do not affect the initial valuation. At the end of each financial year, the estimate of the number of rights that will accrue at maturity ("non-market based" component) is updated.

(o) Revenue

The Group operates primarily in the provision of services relating to the supply of contract workers, for which a single performance obligation can be identified and it is deemed that the customer simultaneously receives and consumes the benefits of the services provided by the Group. The measurement of the degree of progress in fulfilling the contract obligation is related to the physical presence of the worker at the customer's premises and the service provided is invoiced on a monthly basis. In the determination of the contract consideration, there are no significant variable amounts, significant advance or deferred payment conditions with respect to sector practices or amounts paid to customers that are not considered a reduction of the contract consideration.

(p) Contributions

Capital contributions and grants related to income are recognised when there is a reasonable certainty that the Group will meet the conditions for obtaining the grants and that the grants will be received. Capital contributions are recorded in the statement of financial position as deferred revenue under "Other liabilities" and systematically recognised in profit or loss against depreciation of the assets for which the grant was received. Grants related to income are recognised in profit or loss under the item "Other income".

(q) Financial income and expense

Financial income includes interest income on invested cash, dividends, income from the sale of available-for-sale financial assets, changes in fair value of financial assets measured through profit or loss, exchange rate gains and gains on hedging instruments through profit or loss. Interest income is recognised in profit or loss on an accruals basis using the effective interest method. Dividends are recognised when the right of the Group to receive payment is established.

Financial expense includes interest expense on loans and finance leases, exchange rate losses, changes in fair value of financial assets measured at fair value through profit or loss, expected impairment losses on financial assets and losses on hedging instruments recognised in profit or loss. Costs related to loans and finance leases are recognised in profit or loss using the effective interest method.

(r) New standards published but not yet adopted

The new standards for years beginning after 1 January 2020 and for which early application is permitted are indicated below. The Group has, however, decided not to adopt them in advance for the preparation of these financial statements.

- Onerous contracts – Costs for performance of a contract (amendments to IAS 37);
- Interest Rate Benchmark Reform – Phase 2

The following new standards or amendments to the standards are not expected to have significant effects on the consolidated financial statements of the Group.

- Property, plant and equipment: income before use as intended by management (amendments to IAS 16).
- References to the Conceptual Framework in IFRS (amendments to IFRS 3).
- Classification of liabilities as current or non-current (amendments to IAS 1).
- IFRS 17 Insurance contracts and subsequent amendments.

(s) Financial risk management

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

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

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

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

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

(i) Credit risk

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

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

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

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

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

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

Splitting the macro items that determine the value of the trade receivable offers a different degree of legal protection of the trade receivable. In fact, in case of customer bankruptcy, only the portion of receivable representing the remuneration of the contract worker is secured during repayment.

For the measurement, please see section (i*) Impairment losses (i.1) Financial assets* *(ii) Liquidity risk*

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

The Group monitors the economic and financial performance of each branch thus facilitating the monitoring of liquidity requirements and optimising the return on investments. Generally, the Group makes sure that there are sufficient cash and cash equivalents to coverexpected operating costs for a period of 60 days, including those relating to liabilities represented by "Temporary Worker Benefits" and to related social security contribution liabilities.

Moreover, the Group has had the following credit lines over the years:

2020

- EUR 15 million of revolving credit lines, at an average interest rate equal to the six-month Euribor plus 1.40%, subject to compliance with an economic and financial covenant as described below;
- EUR 94 million of credit lines that can be used against presentation of current trade receivables, generally at a variable rate linked to the Euribor.
- EUR 15 million in medium/long-term credit lines to be used to deal with any epidemiological emergency situation related to Covid-19.

Financial year 2019

- EUR 15 million of cash revolving credit lines, at an average interest rate equal to the six-month Euribor plus 1.65%, subject to compliance with a financial covenant as described below;
- EUR 93 million of credit lines that can be used against presentation of current trade receivables, generally at a variable rate linked to the Euribor.

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

The New Loan at 31 December 2020, provides for certain non-performance events involving the right for the lenders to terminate the loan agreement, or to withdraw therefrom and declare the Company's benefit of postponed payment to be forfeited, as the case may be.

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

(In thousands of EUR)				
Beneficiary	***Type***	**2020**	**2019**	**Change**
A.N.P.A.L.	Authorisation pursuant to Italian Legislative Decree no. 276	27,768	29,277	(1,509)
Third Parties	Sureties for participating in tenders	567	168	399
Third Parties	Sureties for leases	763	707	56
Third Parties	Other	0	51	(51)
Total		**29,098**	**30,203**	**(1,105)**

The guarantees given in favour of the A.N.P.A.L. (Italian National Agency for Active Labour Market Policies) refer to the legal requirement to issue appropriate guarantees for the amount due to workers employed on temporary employment contracts.

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

(iii) Interest rate risk

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

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

(t) Segment Reporting

For the purposes of IFRS 8 Operating Segments, the Group only has one operating segment. For a more detailed analysis of the outlook and the operating indicators, please refer to the directors' reportDirectors' report.

3. Acquisitions of subsidiaries and non-controlling interests

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

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

Following the acquisition and subsequent merger by incorporation of Metis S.p.A. on 31 December 2011, a merger deficit was generated, allocated entirely to goodwill, equal to EUR 27,164 thousand.

In the following years, in relation to various acquisitions, goodwill increased by EUR 1,963 as shown below:

- In 2013 for Corium for EUR 383 thousand;
- In 2018 for Meritocracy for EUR 288 thousand;
- In 2018 for HC for EUR 604 thousand;
- In 2020 for Jobdisabili for EUR 169 thousand;
- Lastly, in 2020 for Lyve for EUR 519 thousand.

Below is a summary of the amounts relating to the assets acquired and liabilities assumed as a result of the acquisition of Jobdisabili S.r.l., gross of that indicated above with reference to the recognition of goodwill:

- Property, plant and equipment: EUR 5 thousand;

- Intangible assets: EUR 13 thousand;

- Trade receivables and other assets: EUR 188 thousand;

- Tax assets: EUR 540 thousand;

- Cash and cash equivalents: EUR 10 thousand;

- Employee benefits - Post-employment benefits: EUR 62 thousand;

- Trade payables and other liabilities: EUR 180 thousand;

- Bank loans and borrowings: EUR 83 thousand.

Revenue generated by Jobdisabili S.r.l. in the period prior to consolidation totalled around EUR 26 thousand and the loss for the period was around EUR 31 thousand.

Below is a summary of the amounts relating to the assets acquired and liabilities assumed as a result of the acquisition of Lyve S.r.l., gross of that indicated above with reference to the recognition of goodwill and EUR 264 thousand for the higher value of the property held under lease:

- Property, plant and equipment: EUR 31 thousand;

- Intangible assets: EUR 1 thousand;

- Cash and cash equivalents: EUR 763 thousand;

- Trade receivables and other assets: EUR 606 thousand;

- Employee benefits - Post-employment benefits: EUR 82 thousand;

- Trade payables and other liabilities: EUR 461 thousand.

Revenue generated by Lyve S.r.l. in the period prior to consolidation totalled around EUR 1,487 thousand and the profit (loss) for the period was around EUR 46 thousand.

4. Property, plant and equipment and right-of-use for leases

The following tables show the changes occurred in this item.

(In thousands of EUR)	Land and buildings	Plant and equipment	Other items of property, plant and equipment	Other assets	Leasehold improvements	Total
Cost:						
Balances as at 1 January 2020	**1,682**	**988**	**4,212**	**106**	**179**	**7,167**
Increases	0	24	594	0	0	618
Decreases	0	0	(55)	0	0	(55)
Companies acquired	10	40	44	0	0	94
Balances as at 31 December 2020	**1,692**	**1,052**	**4,795**	**106**	**179**	**7,824**
Amortisation and impairment losses:						
Balances as at 1 January 2020	**789**	**704**	**2,967**	**106**	**179**	**4,745**
Increases	59	70	343	0	0	472
Decreases	0	0	(36)	0	0	(36)
Companies acquired	1	27	30	0	0	58
Balances as at 31 December 2020	**849**	**801**	**3,304**	**106**	**179**	**5,239**
Carrying amounts:						
As at 1 January 2020	**893**	**284**	**1,245**	**0**	**0**	**2,422**
As at 31 December 2020	**843**	**251**	**1,491**	**0**	**0**	**2,585**

(In thousands of EUR)	Land and buildings	Plant and equipment	Other items of property, plant and equipment	Other assets	Leasehold improvements	Total
Cost:						
Balances as at 1 January 2019	**1,862**	**918**	**4,172**	**106**	**179**	**7,237**
Increases	0	72	567	0	0	639
Decreases	0	(2)	(527)	0	0	(529)
Reclassification	(180)	0	0	0	0	(180)
Balances as at 31 December 2019	**1,682**	**988**	**4,212**	**106**	**179**	**7,167**
Amortisation and impairment losses:						
Balances as at 1 January 2019	**806**	**623**	**3,147**	**106**	**179**	**4,861**
Increases	55	82	313	0	0	450
Decreases	0	(1)	(493)	0	0	(494)
Reclassification	(72)	0	0	0	0	(72)
Balances as at 31 December 2019	**789**	**704**	**2,967**	**106**	**179**	**4,745**
Carrying amounts:						
As at 1 January 2019	**1,056**	**295**	**1,025**	**0**	**0**	**2,376**
As at 31 December 2019	**893**	**284**	**1,245**	**0**	**0**	**2,422**

Land and buildings

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

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

Plant and equipment

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

Other items of property, plant and equipment

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

The following table shows the changes in the item "Right-of-use for leases":

(In thousands of EUR)	Motor vehicles	Property	Other fixed assets	Total
Cost:				
Balances as at 1 January 2020	**3,358**	**12,112**	**81**	**15,551**
Increases	1,275	3,589	15	4,879
Decreases	(506)	(88)	(15)	(609)
Balances as at 31 December 2020	**4,127**	**15,613**	**81**	**19,821**
Amortisation and impairment losses:				
Balances as at 1 January 2020	**973**	**2,564**	**25**	**3,562**
Increases	1,256	2,614	41	3,911
Decreases	(442)	(46)	(15)	(503)
Balances as at 31 December 2020	**1,787**	**5,132**	**51**	**6,970**
Carrying amounts:				
As at 1 January 2020	**2,385**	**9,548**	**56**	**11,989**
As at 31 December 2020	**2,340**	**10,481**	**30**	**12,851**

(In thousands of EUR)	Motor vehicles	Property	Other fixed assets	Total
Cost:				
Balances as at 1 January 2019	**1,743**	**10,171**	**81**	**11,995**
Increases	1,816	1,870	15	3,701
Decreases	(201)	(109)	(15)	(325)
Reclassification	0	180	0	180
Balances as at 31 December 2019	**3,358**	**12,112**	**81**	**15,551**
Amortisation and impairment losses:				
Balances as at 1 January 2019	**0**	**0**	**0**	**0**
Increases	1,165	2,569	40	3,774
Decreases	(192)	(77)	(15)	(284)
Reclassification	0	72	0	72
Balances as at 31 December 2019	**973**	**2,564**	**25**	**3,562**
Carrying amounts:				
As at 1 January 2019	**1,743**	**10,171**	**81**	**11,995**
As at 31 December 2019	**2,385**	**9,548**	**56**	**11,989**

Motor vehicles

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

Property

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

Other non-current assets

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

5. Intangible assets and goodwill

The following tables show the changes occurred in this item.

(In thousands of EUR)	**Goodwill**	**Customer relations**	**Software**	**Research and developmen t costs**	**Trademarks**	**Assets under development and payments on account**	**Total**
Cost:							
Balances as at 1 January 2020	**74,438**	**8,152**	**3,768**	**126**	**90**	**113**	**86,687**
Increases	688	53	33	0	0	0	774
Decreases	0	0	0	0	0	0	0
Reclassification	0	0	113	0	0	(113)	0
Companies acquired	0	0	205	0	0	0	205
Balances as at 31 December 2020	**75,126**	**8,205**	**4,119**	**126**	**90**	**0**	**87,666**
Amortisation and impairment losses:							
Balances as at 1 January 2020	**0**	**8,017**	**2,491**	**97**	**0**	**0**	**10,695**
Increases	0	46	536	0	8	0	590
Decreases	0	0	0	0	0	0	0
Companies acquired	0	0	190	0	0	0	190
Balances as at 31 December 2020	**0**	**8,153**	**3,217**	**97**	**8**	**0**	**11,475**
Carrying amounts:							
As at 1 January 2020	**74,438**	**45**	**1,277**	**29**	**90**	**113**	**75,992**
As at 31 December 2020	**75,126**	**52**	**902**	**29**	**82**	**0**	**76,191**

(In thousands of EUR)	Goodwill	Customer relations	Software	Research and development costs	Trademarks	Assets under development and payments on account	Total
Cost:							
Balances as at 1 January 2019	**74,438**	**8,152**	**3,718**	**126**	**10**	**45**	**86,489**
Increases	0	0	50	0	80	68	198
Decreases	0	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0	0
Balances as at 31 December 2019	**74,438**	**8,152**	**3,768**	**126**	**90**	**113**	**86,687**
Amortisation and impairment losses:							
Balances as at 1 January 2019	**0**	**8,063**	**1,957**	**81**	**0**	**0**	**10,101**
Increases	0	44	534	16	0	0	594
Decreases	0	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0	0
Balances as at 31 December 2019	**0**	**8,107**	**2,491**	**97**	**0**	**0**	**10,695**
Carrying amounts:							
As at 1 January 2019	**74,438**	**89**	**1,761**	**45**	**10**	**45**	**76,388**
As at 31 December 2019	**74,438**	**45**	**1,277**	**29**	**90**	**113**	**75,992**

Goodwill

At the end of each year, the Group tests goodwill for impairment. The impairment test on goodwill is carried out on the basis of the value in use through calculations based on projected cash flows taken from the approved five-year business plan.

The impairment test as at 31 December 2020 was performed considering the cash generating unit consisting of all the operating assets and liabilities of the Group as a reference; the recoverable amount of the cash generating unit was tested by calculating the value in use, i.e. the present value of expected cash flows (discounted cash flow) using a rate that reflects the specific risks at the measurement date (WACC).

The measurement was carried out on the basis of the 2021-2025 business plan, which was adjusted by cancelling out the expected growth relating to the opening of new branches, and directly based on that approved by the Company on 4 February 2021, prepared by management on the basis of the Group's historical economic and financial performance, and expected future trends.

In view of the Group's strategy, the expected trend of the reference market and the overall macroeconomic situation, projected cash flows were estimated on the basis of the following assumptions:

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- Revenue from contract work: revenue is expected to increase, on a like-for-like basis, by 9.9% in 2021 and then drop slightly from 5.2% to 3.3% between 2022 and 2025;
- Revenue from other HR services including Personnel Recruitment and Selection: growth of approximately 5% over the years of the plan.

To calculate the terminal value, a prudent assumption was adopted of a steady state scenario (g-rate equal to zero), in which, given a zero growth, the obtainable cash flows on a like-for-like basis and from the year following the year related to the analytical forecasts, was estimated based on the following main assumptions:

- EBITDA, normal average equal to the last year of analytical forecast;
- maintenance capital expenditure, equal to approximately EUR 1 million;
- maintenance investments in right-of-use assets, equal to EUR 4.5 million;
- constant working capital;
- constant provisions.

These projections reflect the current conditions of all the operating assets and liabilities of the Group being measured and the values used are consistent with the historical performance of the Group and with expectations of management in relation to the expected trends in the market of reference.

In particular, in relation to the elements of uncertainty deriving from the Covid-19 pandemic, and the related potential effects on the macroeconomic scenario and forecasts underlying the impairment test, it should be noted that the 2021-2025 business plan takes into account the expected effects on cash flows in during the period of the impairment test are around 20% lower than the previous year valuation. Moreover, the terminal value was determined on the basis of the last year of the business plan, according to the methods indicated above, and is considered conservative with respect to the business development forecasts in the period beyond 2025, once the effects related to the pandemic have been overcome; this results in the cash flow base for the terminal value being around 16% lower than in the previous year valuation.

Projected cash flows were discounted taking into account a cost of unlevered risk capital, calculated on the basis of the Capital Asset Pricing Model (CAPM), of 10.5% (previous year equal to 10.5%) gross of the related tax effect. This rate reflects the current market evaluation of the time value of money for the period in question and the specific risks of the sector and country, Italy, where the

Group operates. The WACC as at 31 December 2020 was estimated on the basis of the following assumptions:

– the risk-free rate used (3%) is equal to the sum of the real interest rate (1%) and expected inflation rate in the long term (2%);

– the estimated beta coefficient (unlevered) was 1.1 on the basis of the characteristics of the sector concerned and of the betas recognised with reference to a sample of listed companies belonging to the sector concerned;

– the equity risk premium used is 5.5%;

– the country risk premium was assumed to be equal, by approximation, to the difference between the yield on Italian and German non-current government bonds registered at the end of 2020 (equal to 2.0%).

The present value of the tax shield of the debt - i.e. of the tax benefits related to the deductibility of financial expense - was added to the present value of expected cash flows.

The value in use as at 31 December 2020 calculated in this way was greater than the carrying amount of the cash generating unit. Therefore, no impairment losses were recognised as at 31 December 2020, as in previous years.

The carrying amount and the recoverable amount of the CGU, as recognised at the end of the last three years, is shown hereunder:

(In thousands of EUR)

Years	Carrying amount of the group	Recoverable amount	Amount in excess, recoverable with respect to the recoverable amount
2018	121,816	156,348	34,532
2019	134,420	166,081	31,661
2020	122,794	137,321	14,527

Due to their nature, the forecasts used for impairment testing are subject to unforeseen elements that could still affect them, such as GDP not increasing as expected, changes in interest rates and inflation rates, changes in revenue, profit margins and collection terms from customers because of the macroeconomic trend. Such unforeseen elements could therefore result in having to amend the above-described impairment test. It is noted in this regard that the sensitivity analysis as at 31 December 2020 shows that the value in use is equal to the carrying amount of the Cash Generating Unit (gross of the lease liabilities) in the event of an increase in the discount rate of approximately

1.1 percentage points, all the other conditions being equal; similarly, in the case of a reduction in non-discounted cash flows by approximately 10.3% throughout the plan period and for the cash flows on which the terminal value is based, the value in use would equal the carrying amount of the Cash Generating Unit.

It should also be noted that appraisals drawn up by independent experts were used in the preparation of the impairment test as at 31 December 2020 approved by the Board of Directors of the Company on 16 March 2021. Finally, it should be noted that as at 31 December 2020 the Company, whose shares are traded on the STAR segment of the on-line stock exchange (MTA) managed by Borsa Italiana S.p.A., capitalised approximately EUR 91,966 thousand.

Customer relations

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

Software

The item Software refers to the operating and management programmes acquired by the Group. The project to develop the Databook software, dedicated to supporting operational processes and exchanges of information regarding the activities of the Employment Agency, was amortised as from 2017.

On the basis of the appraisal prepared by a professional independent expert, the fair value of the platform owned by Meritocracy (now Seltis S.r.l.), equal to EUR 1,157 thousand, was accounted for and the useful life was reasonably assumed to be five years.

Assets under development

There are no assets under development or payments on account as at 31 December 2020.

6. Non-current financial assets

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

7. Deferred tax assets and liabilities

Deferred tax assets and liabilities refer to the following items:

(In thousands of EUR)	**Assets**		**Liabilities**		**Net**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Property, plant and equipment	0	0	164	171	(164)	(171)
Intangible assets	2	0	178	242	(176)	(242)
Employee benefits	14	9	0	0	14	9
Provisions	367	375	0	0	367	375
Loss allowance	1,184	1,017	0	0	1,184	1,017
Costs with deferred deductibility	388	431	0	0	388	431
Tax losses	769	140	0	0	769	140
Goodwill realignment	20,158	0	0	0	20,158	0
Total	**22,882**	**1,972**	**342**	**413**	**22,540**	**1,559**

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

Tax assets and liabilities are measured using the tax rates that are expected to be applicable in the period in which the asset or the liability to which they refer will be realised or discharged, respectively, on the basis of tax rates established by measures in force.

Starting from 2020, deferred tax assets were recognised relating to the realignment of the tax value of the parent's goodwill, in accordance with the provisions of article 110.8/8-bis Law decree no. 104/2020. For further details, please refer to note 28.

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

(In thousands of EUR)	**Balance as at 31 December 2019**	**Increases in the statement of financial position**	**Changes in profit or loss**	**Balance as at 31 December 2020**
Property, plant and equipment	(171)	0	7	(164)
Intangible assets	(242)	0	66	(176)
Employee benefits	9	0	5	14
Provisions	375	0	(8)	367
Loss allowance	1,017	0	167	1,184
Costs with deferred deductibility	431	0	(43)	388
Tax losses	140	540	89	769
Goodwill realignment	0	0	20,158	20,158
Total	**1,559**	**540**	**20,441**	**22,540**

8. Cash and cash equivalents

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

(In thousands of EUR)	**2020**	**2019**	**Change**
Bank and postal deposits	16,973	6,497	10,476
Cash in hand and cash equivalents	29	34	-5
Total cash and cash equivalents	**17,002**	**6,531**	**10,471**

With reference to the net financial indebtedness, as required by Recommendation ESMA/2013/319 and Consob Communication No. DEM/6064293 of 28 July 2006, please refer to note 13 below.

9. Other current financial assets

There are no current financial assets.

10. Trade receivables

The item is made up as follows:

(In thousands of EUR)	2020	2019	Change
From third-party customers	114,456	121,223	(6,767)
Loss allowance	(5,545)	(4,866)	(679)
Total trade receivables	**108,911**	**116,357**	**(7,446)**

As at 31 December 2020 and 2019, there were no trade receivables arising from factoring with recourse. Total trade receivables are exclusively related to Italian customers; therefore there are no receivables in currencies other than the Euro. At the reporting dates, there was no concentration of receivables from a limited number of customers.

The item is recorded in the consolidated financial statements net of a loss allowance of EUR 5,545 thousand.

An analysis of the DSO shows that the extension days granted on average to customers appear to have increased slightly, compared with the same period of last year, from 74 to 76 days. Calculating the DSO only on the fourth quarter of 2020, i.e. trade receivables/quarterly turnover * 90 days, a DSO of 66 days is achieved, slightly lower than the same period of 2019 (70 days) and the same as the previous quarter.

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

11. Other assets

The item is made up as follows:

(In thousands of EUR)	2020	2019	Change
Assets from tax authorities for reimbursements	137	1,245	(1,108)
Assets from the INPS treasury funds for post-employment benefits	829	1,299	(470)
Prepayments	875	862	13
Other disputed assetss	1,095	1,095	0
Assets s from Forma.Temp	4,575	3,928	647
Other sundry assets	240	50	190
Total other assets	**7,751**	**8,479**	**(728)**

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

Prepayments as at 31 December 2020 of EUR 875 thousand mainly refer to advance costs entirely recognised during the current year, relating to sponsorships, bank fees and sundry leases.

The item "Assets from Forma.Temp" of EUR 4,575 thousand refers to the reimbursement of the salary supplement (Trattamento di Integrazione Salariale - TIS) paid in advance to contract workers (as at 31 December 2019 relating to approved courses in excess of those already available in the year).

12. Current tax assets

As at 31 December 2020, current income taxes amounted to EUR 280 thousand and refer to the tax asset for IRAP of EUR 128 thousand, EUR 136 thousand for IRES and EUR 16 thousand for IRES of the subsidiary Lyve S.r.l. As at 31 December 2019, current income taxes amounted to EUR 1,081 thousand and refer to the tax asset for IRAP of EUR 172 thousand, EUR 894 thousand for IRES and EUR 15 thousand for IRES of the subsidiary HC S.r.l.

13. Bank loans and borrowings and other financial liabilities

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

(In thousands of EUR)	2020	2019	Change
Non-current liabilities			
Line A New Loan	7,450	10,417	(2,967)
Lease liabilities	8,989	8,537	452
Derivative instruments	33	26	7
Total non-current liabilities	**16,472**	**18,980**	**(2,508)**
Current liabilities			
Line A New Loan	3,000	3,000	0
Non-current loan within 18 months	7,918	0	7,918
Non-guaranteed bank loans and borrowings	3,322	11,140	(7,818)
Lease liabilities	3,665	3,514	151
Total current liabilities	**17,905**	**17,654**	**251**
Total current and non-current liabilities	**34,377**	**36,634**	**(2,257)**

In March 2019, a non-current amortising loan of EUR 15 million was subscribed and issued, which also comprises a revolving credit line of EUR 15 million not used as at the reporting date.

During the current year, two loans for a total of EUR 10 million have been subscribed and issued, to be repaid within 18 months of the date of issue.

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

(In thousands of EUR)				2020		2019	
	Curr.	**Nominal interest rate**	**Year of maturity**	**Nominal amount**	**Carrying amount**	**Nominal amount**	**Carrying amount**
Line A New Loan	EUR	Euribor*	2024	10,500	10,450	13,500	13,417
Non-current loan within 18 months	EUR	1.1**	2021	7,918	7,918	0	0
Non-guaranteed bank loans and borrowings	EUR	0.1%**	-	3,322	3,322	11,140	11,140
Lease liabilities	EUR	1.77%***	2021-2026	13,205	12,654	12,542	12,051
Total interest-bearing liabilities				**34,945**	**34,344**	**37,182**	**36,608**

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

** These are approximate average rates

*** Weighted average incremental interest rate

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

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

Calculation Dates	**NFI EBITDA ≤**
31 December 2020	2.25
31 December 2021	2.25
31 December 2022	2.25

NFI = Net Financial Indebtedness

EBITDA = Consolidated net profit for the year before income taxes, net financial expense, amortisation/depreciation, provisions and impairment losses

It should be noted that as at 31 December 2020 the financial restriction had been complied with.

Branch leases contain extension options that can be exercised up to six months before the end of the binding period. If, at their respective deadlines, all extension actions are carried out, the potential cash flows that are not currently reflected in the lease liability would amount to approximately EUR 12,000 thousand.

Below is the reconciliation of the changes in lease liabilities, bank borrowings and other financial liabilities arising from financing activities.

(Amounts in thousands of EUR)	Lease liabilities	Financial liabilities, bank loans and borrowings and other liabilities
Balance as at 31 December 2019	**12,051**	**24,557**
Change in financial liabilities		
- Lease payments	(4,087)	-
- Interest expense	205	-
- New leases and reclassifications	4,485	-
- New loan disbursement	-	10,000
- Repayment of loan instalments	-	(5,082)
- Other loans and borrowings and interest	-	(7,785)
Increase (decrease) in financial liabilities	**603**	**(2,867)**
Balance as at 31 December 2020	**12,654**	**21,690**

The table below shows the net financial indebtedness of the Group as at 31 December 2020 and as at 31 December 2019, calculated in accordance with the provisions of Recommendation ESMA/2013/319 and Consob Communication no. DEM/6064293 of 28 July 2006.

	(amounts in thousands of EUR)	**Financial statements for the year ended 31 December**				**2020 vs 2019**	
		2020	**2019**	**2018**	**2017**	**Value**	**%**
A	Cash	29	34	29	24	(5)	(14.7%)
B	Other cash and cash equivalents	16,973	6,497	6,449	4,638	10,476	161.2%
C	Securities held for trading	-	-	-	-	-	-
D	**Cash and cash equivalents (A+B+C)**	**17,002**	**6,531**	**6,478**	**4,662**	**10,471**	**160.3%**
E	Current loan assets	-	-	-	-	-	-
F	Current bank loans and borrowings	(11,240)	(11,140)	(16,934)	(17,455)	(100)	0.9%
G	Current portion of non-current debt	(3,000)	(3,000)	(9,600)	(8,607)	-	0.0%
H	Other current loans and borrowings	(3,665)	(3,514)	(12)	(12)	(151)	4.3%
I	**Current financial indebtedness (F+G+H)**	**(17,905)**	**(17,654)**	**(26,546)**	**(26,074)**	**(251)**	**1.4%**
J	**Net current financial indebtedness (D+E+I)**	**(903)**	**(11,123)**	**(20,068)**	**(21,412)**	**10,220**	**(91.9%)**

(amounts in thousands of EUR)		Financial statements for the year ended 31 December				2020 vs 2019	
		2020	2019	2018	2017	Value	%
K	Non-current bank loans and borrowings	(7,450)	(10,417)	(4,096)	(13,559)	2,967	(28.5%)
L	Bonds issued	-	-	-	-	-	-
M	Other non-current liabilities	(9,022)	(8,563)	(37)	(50)	(459)	5.4%
N	**Non-current financial indebtedness (K+L+M)**	**(16,472)**	**(18,980)**	**(4,133)**	**(13,609)**	**2,508**	**(13.2%)**
O	**Net Financial Indebtedness (J+N)**	**(17,375)**	**(30,103)**	**(24,201)**	**(35,021)**	**12,728**	**(42.3%)**

14. Employee benefits

(a) current

The balance of the item current employee benefits includes:

(In thousands of EUR)	2020	2019	Change
Salaries due to contract workers	29,462	28,331	1,131
Remuneration due to contract workers	10,008	8,124	1,884
Post-employment benefits due to contract workers	199	207	(8)
Remuneration due to employees	3,293	3,741	(448)
Total liabilities for employee benefits	**42,962**	**40,403**	**2,559**

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

The amount of liabilities as at 31 December 2020 increased compared to 31 December 2019, mainly in relation to the increase in contract workers hired on permanent contracts.

(b) non-current

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

(In thousands of EUR)	2020	2019	Change

Liabilities for employee benefits as at 1 January	1,158	1,093	65
Increase for companies acquired	82	0	82
Cost recognised in profit or loss	149	134	15
Payments during the year	(94)	(190)	96
Actuarial measurement	44	121	(77)
Total payables for employee benefits	**1,339**	**1,158**	**181**

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

(In thousands of EUR)	**2020**	**2019**	**Change**
Current service cost	135	104	31
Interest expense on the obligation	14	30	(16)
Total	**149**	**134**	**15**

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

	2020	**2019**
Projected future salary increases (average amount)	1.0%	1.0%
Projected staff turnover	9%	9%
Discount rate	0.53%	1.35%
Average inflation rate	0.80%	1.5%

15. Trade payables

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

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

The item is broken down as follows:

(In thousands of EUR)	**2020**	**2019**	**Change**
Trade payables to third parties	10,456	7,942	2,514
Total trade payables	**10,456**	**7,942**	**2,514**

16. Other liabilities

The item is broken down as follows:

(In thousands of EUR)	**2020**	**2019**	**Change**
Social security charges	18,668	18,946	(278)
Tax liabilities	10,200	11,324	(1,124)
Liabilities to Forma.Temp	1,292	2,225	(933)
Other liabilities	2,680	676	2,004
Total other liabilities	**32,840**	**33,171**	**(331)**

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

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

The item Other liabilities mainly refers to shares acquired during the year and the recognition of put options as envisaged by the relevant agreements.

17. Current and non-current tax liabilities

Current tax liabilities as at 31 December 2020 amounted to EUR 726 thousand and refer to EUR 717 thousand for the first instalment of the substitute tax pursuant to article 110.8/8-bis of Law decree no. 104/2020. For further details, please refer to note 28. The rest, amounting to EUR 9 thousand, refers to the tax liability for IRAP for the subsidiary Lyve S.r.l.

Non-current tax liabilities as at 31 December 2020 amounted to EUR 1,435 thousand and relate to the additional two instalments of the substitute tax pursuant to article 110.8/8-bis of Law decree no. 104/2020, to be paid in 2022 and 2023. For further details, please refer to note 28.

Current tax liabilities as at 31 December 2019 amount to EUR 24 thousand and refer to the tax liability for IRAP.

18. Provisions

Changes in this item are broken down as follows:

(In thousands of EUR)	**Balance as at 1 January 2020**	**Increases**	**Uses**	**Balance as at 31 December 2020**
Disputes	1,962	75	108	1,929

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

19. Equity

(a) Share capital

(In thousands of shares)	**2020**	**2019**
Ordinary shares		
Issued as at 1 January	13,712	13,712
Issued as at 31 December	13,712	13,712

As at 31 December 2020, the approved share capital consisted of 13,712,000 ordinary shares, the ownership percentages of which are specified in the section "*Group structure*", to which explicit reference is made.

The Shareholders' Meeting, convened on 24 April 2018, authorised the Board of Directors to purchase and dispose of treasury shares pursuant to the combined provisions of Articles 2357 and 2357-ter of the Italian Civil Code, as well as article 132 of Legislative decree no. 58 of 24 February 1998. The Board of Directors' meeting called for 15 May 2018 resolved to launch the buyback programme from 16 May 2018.

Subsequently, by resolution approved by the Shareholders' Meeting on 21 April 2020, the buy-back programme was restarted by the Board of Directors of Openjobmetis S.p.A., with resolution of the same date, starting from 22 April 2020 up to a maximum number of shares such as not to exceed 5% of the *pro-tempore* share capital.

Note that, on 31 December 2020, Openjobmetis S.p.A. directly held 685,600 treasury shares.

The Company did not issue any preference shares.

The share capital has been fully paid up.

(b) Share premium reserve

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

(c) Other Reserves

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

As at 31 December 2020, in accordance with IAS 19, the net actuarial loss of EUR 48 thousand - resulting from the difference between the amount of expected benefits calculated for the period of reference and the actual benefit resulting from the new measurement assumptions at the end of the period - was accounted for in equity.

Moreover, the fair value as at 31 December 2020 of the derivative contract put in place to hedge the risk of changes in the interest rate risk granted to the New Loan totalling EUR 33 thousand, was accounted for as a reduction of equity. The effective portion of the change in the fair value of hedging instruments is accumulated in the cash flow hedge reserve as a separate component of equity.

The amount of *Other reserves* is net of the separate negative reserve for the purchase of treasury shares held, equal to EUR 5,645 thousand as at 31 December 2020, of the reserve for the put options for the remaining portion of the equity investments in H.C. S.r.l. and Lyve S.r.l. for a total of EUR 1,650 thousand, and of the reserve of EUR 221 thousand related to the 2019-2021 Performance Shares Plan, as discussed in more detail in Note 22.

20. Revenue

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

(In thousands of EUR)	**2020**	**2019**	**Change**
Revenue from contract work	508,722	555,363	(46,641)
Revenue from personnel recruitment and selection	3,171	3,577	(406)
Revenue from outplacement	286	625	(339)
Revenue from other activities	4,806	5,779	(973)
Total Revenue	**516,985**	**565,344**	**(48,359)**

Revenue from contract work includes revenue from integrated home healthcare for approximately EUR 15 thousand of the subsidiary Family Care S.r.l.

Revenue in 2020 amounted to EUR 516,985 thousand compared to EUR 565,344 thousand in 2019. The decline, equal to 8.6%, is mainly due to the effects of the Covid-19 pandemic, which began to spread across Italy from the end of February 2020. The phenomenon affected all areas of the Group's business (compared to 2019: Personnel supply -8.4%, Recruitment and Selection -11.3%, Outplacement -54.2%, other revenue -16.8%). However, there was a marked recovery in the third and fourth quarters of 2020: the third quarter recorded +25.2% on the second and the fourth +11.8% on the third. In the second half of the year, the gap with respect to 2019 gradually narrowed: in July, August and September 2020, the Group's total revenue decreased by 4.2% compared to the same months in 2019, and in the last quarter of the year revenue was actually in line with the same period of 2019 (-0.7%), despite the complex context and the fresh wave of Covid-19 infections in the autumn months, with concurrent containment measures imposed by the Government, which varied depending on the region and the extent of the increase in the number of infections.

Lastly, the excellent performance of activities related to care of the elderly and non-self-sufficient people was confirmed, up by 40.9% compared to 2019.

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

21. Other income

The item includes:

(In thousands of EUR)	**2020**	**2019**	**Change**
Recognition of contributions from Forma.Temp	7,711	11,919	(4,208)
Other sundry income	938	844	94
Total other income	**8,649**	**12,763**	**(4,114)**

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

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

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

22. Personnel expense

The item includes:

Cost of contract work

(In thousands of EUR)	**2020**	**2019**	**Change**
Wages and salaries of contract workers	324,370	350,580	(26,210)
Social security charges of contract workers	93,902	105,615	(11,713)
Post-employment benefits of contract workers	18,842	19,006	(164)
Forma.Temp contributions for contract workers	13,065	13,535	(470)
Other costs of contract workers	3,095	3,151	(56)
Total personnel expense	**453,274**	**491,887**	**(38,613)**

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

The cost of wages and salaries, at 31 December 2021, is shown net of the salary supplement (Trattamento di Integrazione Salariale - TIS) equal to EUR 18,467 thousand, the value of which is reimbursed by Forma.temp.

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

The change compared to the previous year was mainly due to the decrease in business volumes in terms of contract worker hours sold to customers.

Employee costs

(In thousands of EUR)	**2020**	**2019**	**Change**
Salaries and wages of employees	21,764	21,798	(34)
Social security costs of employees	6,614	6,716	(102)
Post-employment benefits of employees	1,556	1,499	57
Remuneration to the Board of Directors and committees	1,847	1,805	42
Social security costs of the Board of Directors	78	66	12
Other employee costs	849	1,210	(361)
Long term incentive	(438)	130	(568)
Total personnel expense	**32,270**	**33,224**	**(954)**

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

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

The average number of employees is set out below:

Average number of employees	**2020**	**2019**	**Change**
Managers	2	2	0
White-collars	650	637	13
Total	**652**	**639**	**13**

Non-current incentive

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

Subsequently, with a view to making a concrete contribution to the effort made by the Company, at all levels, in dealing with the impact of the Covid-19 emergency, on 15 May 2020 all beneficiaries identified for the first tranche have formalised an unconditional and irrevocable waiver of the right to exercise options accrued for approximately EUR 0.44 million, recognised as a reduction in personnel expense for the period.

The estimated cost for the last tranche of the Phantom Stock Option Plan is EUR 88 thousand and corresponds with the liability measured at fair value, representing the amount to be paid to employees for whom the unconditional right to receive payment in relation to the tranche granted in 2018 under the Plan and the Regulations in force will arise. The related liability is included in employee benefits at the reporting date.

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

The parameters used in the fair value measurement at the date of assignment and valuation of the plan with share-based payment are: the price of the shares at the assignment date is equal to EUR 11.7536 and the price at the valuation date is equal to EUR 5.48, option duration of three years, expected dividend rate of 3.5%, expected exit rate of 0%, annual volatility of 30%, applying a risk-free rate curve inferred from the Interest Rate Swap rates on the market at the valuation date.

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

The option's per-unit fair value was EUR 0.2138 at the reporting date.

The shareholders' meeting of 17 April 2019 approved the adoption of a 2019-2021 Performance Shares Plan which provides for the right of directors, key management personnel and other key employees to receive, at the end of the three-year vesting period, ordinary shares of Openjobmetis S.p.A. subject to the achievement of certain Performance Objectives as described in the above Plan (to which explicit reference is made).

The Board of Directors on 25 June 2019 and on 15 May 2020 identified the beneficiaries of the first two tranches of the Plan.

The assessment of the cost assigned was estimated by considering the performance components related to the achievement of the adjusted, consolidated and cumulative three-year EBITDA targets compared to the plan targets (with 50% weight) and the Company's performance in terms of Total Shareholder Return compared to the companies that make up the FTSE Italia STAR index (with 50% weight), estimated using the Monte Carlo method, which, on the basis of suitable assumptions, made it possible to define a considerable number of alternative scenarios.

The assigned estimated cost for the year of the Performance Shares equal to EUR 139 thousand corresponds to the change in the liability measured at fair value, representative of the value of the shares actually accrued by the beneficiaries in relation to the tranches allocated in 2019 and 2020. The related liability is included in the Equity item "other reserves" at the reporting date.

The parameters used in the fair value measurement at the dates of assignment and valuation of the plan are as follows: share price at the valuation date of EUR 7.16 for the first tranche and EUR 5.10 for the second tranche, expected dividend rate of 3.5%, discount rate of 1% for the first tranche and 0.40% for the second tranche, vesting right of the "market based" component equal to 47% for the first tranche and 55% for the second tranche , annual volatility 31% for the first tranche and 32% for the second tranche, applying a reasonable estimate on the basis of historical volatility calculated with reference to the valuation date.

The per-unit fair value of the right to receive the bonus shares at the reporting date was EUR 6.68 for the first tranche and EUR 4.76 for the second tranche .

23. Cost of raw materials and consumables

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

24. Costs for services

The item includes:

(In thousands of EUR)	**2020**	**2019**	**Change**
Costs for organising courses for contract workers	7,706	11,919	(4,213)
Costs for tax, legal, IT, business consultancy	5,309	4,681	628
Costs for marketing consultancy	2,121	1,996	125
Costs for due diligence and consultancy services	418	543	(125)
Fees to sourcers and professional advisors	3,036	2,746	290
Costs for advertising and sponsorships	1,495	1,581	(86)
Costs for utilities	850	900	(50)
Remuneration to the Board of Statutory Auditors	88	88	0
Other	3,387	4,155	(768)
Total costs for services	**24,410**	**28,609**	**(4,199)**

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

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

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

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

Costs for the year for *due diligence and consultancy services* as at 31 December 2020 relate mainly to non-recurring activities for possible extraordinary transactions.

Other costs mainly include costs incurred for insurance, information on customer solvency, independent auditors' fees, published notices and sundry rentals.

25. Other operating expenses

The item includes:

(In thousands of EUR)	**2020**	**2019**	**Change**
Other expenses	636	668	(32)
Total other operating expenses	**636**	**668**	**(32)**

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

26. Impairment losses on trade receivables and other assets

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

27. Net financial income (expense)

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

(In thousands of EUR)	**2020**	**2019**	**Change**
Bank interest and other income	183	9	174
Interest income on other assets	52	34	18
Total financial income	**235**	**43**	**192**
Interest expense on loans	(222)	(248)	26
Interest expense on current accounts	(20)	(17)	(3)
Other interest expense	(294)	(472)	178
Total financial expense	**(536)**	**(737)**	**201**
Total financial expense	**(301)**	**(694)**	**393**

Other interest expense mainly refers to the portion of costs attributable to each year deriving from application of the amortised cost method to the loan in accordance with IFRS 9, and the expense relating to the recognition of the right of use pursuant to IFRS 16, amounting to EUR 205 thousand.

28. Income taxes

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

(In thousands of EUR)	**2020**	**2019**	**Change**
Current taxes	2,638	4,366	(1,728)
Deferred tax assets on goodwill realignment	(20,158)	0	(20,158)
Substitute tax for goodwill realignment	2,152	0	2,152
Deferred tax assets	(213)	203	(416)

Deferred tax liabilities	(71)	(76)	5
Tax from previous years	(25)	(8)	(17)
Total income taxes	**(15,677)**	**4,485**	**(20,162)**

Current taxes as at 31 December 2020 totalling EUR 2,638 thousand refer to IRAP of EUR 619 thousand and to IRES of EUR 2,019 thousand.

Current taxes as at 31 December 2019 totalling EUR 4,366 thousand refer to IRAP of EUR 1,021 thousand and to IRES of EUR 3,345 thousand.

As at 31 December 2020, the parent benefits from the possibility of realigning the tax on the higher amounts of the assets recorded in the financial statements, specifically the amount of goodwill of EUR 71,736 thousand, in accordance with article 110.8/8-bis of Law decree no. 104/2020. Against the payment of a substitute tax equal to 3% of the realigned value (EUR 2,152 thousand), this will determine the deduction over 18 years, starting from 2021, of the tax amortisation of the realigned value of EUR 71,735 thousand. These deductions will generate benefits in terms of IRES and IRAP, recognised as at 31 December 2020 under deferred tax assets for EUR 20,158 thousand. The deferred tax assets recognised are fully recoverable in view of the possibility of absorption through the Company's future taxable income.

The following table shows the items that reconcile the difference between the theoretical tax burden at Italian rate and taxes actually charged to the year:

(In thousands of EUR)	**2020**	**Rate**	**2019**	**Rate**
Profit (loss) before taxes	7,965		14,889	
Theoretical income taxes (a)	1,912	24.00%	3,573	24.00%
Tax effect of permanent differences including:				
- cars	186		192	
- telephony	53		50	
- prior year income and expense	45		32	
- board and lodging	16		20	
- other changes	(21)		12	
- ACE (Aiuto alla crescita economica, Aid to economic growth)	(219)		(190)	
- 10% IRAP deduction	(54)		(83)	
Subtotal (b)	**6**		**33**	
Income taxes recorded in the separate financial Statements				
(current and deferred) excluding IRAP and realignment effect (a + b)	1,918	24.08%	3,606	24.22%
IRAP (current and deferred, excluding realignment)	616	7.73%	1,027	6.90%

(In thousands of EUR)	2020	Rate	2019	Rate
Deferred tax assets on previous years' tax losses	(180)	(2.26)%	(140)	(0.94)%
Deferred tax assets on goodwill realignment, Law decree no. 104/2020	(20,158)	(253.08)%	0	0%
Substitute tax for goodwill realignment, Law decree no. 104/2020	2,152	27.02%	0	0%
Income taxes recorded in the separate financial Statements (current and deferred)	**(15,652)**	**(196.51)%**	**4,493**	**30.18%**
Deferred tax assets not included in the separate financial Statements (on tax losses of companies acquired during the year)	0	0%	0	0%
Tax from previous years (allocation to tax reserve)	(25)	(0.31)%	(8)	(0.05)%
Total taxes	**(15,677)**	**(196.82)%**	**4,485**	**30.12%**

Income taxes benefit from the recognition of deferred tax assets resulting from the tax on higher amounts recorded in the financial statements pursuant to article 110.8/8-bis of Law decree no. 104/2020 for a total of EUR 20,158 thousand. In addition, current taxes of EUR 2,152 thousand were recognised in relation to the substitute tax on this tax realignment.

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

29. Contingent liabilities

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

Specifically:

- The subsidiary Openjob Consulting S.r.l., at an event held in Perugia, underwent a tax inspection by the competent Local Labour Office that led to the preparation of a report which alleged violations concerning forms of contract used on this occasion with consequent possible administrative sanctions. Openjob Consulting S.r.l. appealed against the report and this appeal was rejected. Following this report, a charge notice was issued by INPS, later effectively suspended by the Labour Court of Perugia and still pending.

In September 2018, an order was issued by the Local Labour Inspectorate, to whom the Company had appealed, relating to the payment of only a portion of the administrative sanctions issued at the time of the report. This order greatly reduced the sanctions following the proven invalidity of some of the alleged violations. The Company and the Local Labour Office (LLO) subsequently reached a settlement in June 2019, following which Openjob Consulting S.r.l. paid about EUR 29 thousand to settle any claim by the LLO.

30. Financial instruments

(a) Credit risk

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

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

(In thousands of EUR)	**2020**	**2019**	**Change**
Held-to-maturity investments	39	43	(4)
Trade receivables	108,911	116,357	(7,446)
Cash and cash equivalents	17,002	6,531	10,471
Total	**125,952**	**122,931**	**3,021**

Receivables mainly refer to Italian customers.

There are no particular concentrations of trade receivables in specific sectors.

Exposure to the top ten customers' accounts for approximately 17% of total trade receivables as at 31 December 2020.

- <u>**Impairment losses**</u>

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

(In thousands of EUR)	**2020**	**2019**	**Change**
Falling due	92,666	95,381	(2,715)
Past due from 0 to 90 days	13,804	18,270	(4,466)
Past due from 91 to 360 days	3,609	2,912	697
Past due 360 days or more	4,377	4,660	(283)
Total trade receivables	**114,456**	**121,223**	(6,767)

The changes in the loss allowance during the years were as follows:

(In thousands of EUR)	**2020**	**2019**	**Change**
Opening balance	**4,866**	**5,270**	**(404)**
Companies acquired	28	0	28
Impairment loss for the year	1,631	3,062	(1,431)
Use during the year	(980)	(3,466)	2,486
Balance as at 31 December	**5,545**	**4,866**	**679**

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

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

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

With reference to the potential elements of uncertainty deriving from the Covid-19 pandemic, to date, there are no particular risks relating to the solvency of Openjobmetis Group customers compared to the pre-Covid period. This is demonstrated by the average collection times (DSO) which as at 31 December 2020 amounted to 76 days, in line with the figure as at 31 December 2019 (74 days).

The Group did not recognise expected impairment losses on held-to-maturity investments in the course of the financial year.

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

(b) Liquidity risk

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

Non-derivative financial liabilities			**2020**			
(In thousands of EUR)	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-5 years**	**More than 5 years**
Line A New Loan	(10,450)	(10,845)	(1,586)	(1,574)	(7,685)	0
M/L loan within 18 months	(7,918)	(7,967)	(4,198)	(3,769)	0	0
Non-guaranteed bank loans and borrowings	(3,322)	(3,322)	(3,322)	0	0	0
Lease liabilities	(12,654)	(13,205)	(1,918)	(1,929)	(8,464)	(894)
Trade payables	(10,456)	(10,456)	(10,456)	0	0	0
Other liabilities	(32,840)	(32,840)	(32,840)	0	0	0
Employee benefits *	(42,962)	(42,962)	(42,962)	0	0	0
Total	**(120,602)**	**(121,597)**	**(97,282)**	**(7,272)**	**(16,149)**	**(894)**

Non-derivative financial liabilities			**2019**			
In thousands of EUR)	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-5 years**	**More than 5 years**
Line A New Loan	(13,417)	(14,056)	(1,611)	(1,599)	(10,846)	0
Non-guaranteed bank loans and borrowings	(11,140)	(11,140)	(11,140)	0	0	0
Lease liabilities	(12,051)	(12,542)	(1,859)	(1,859)	(8,650)	(174)
Trade payables	(7,942)	(7,942)	(7,942)	0	0	0
Other liabilities	(33,171)	(33,171)	(33,171)	0	0	0
Employee benefits *	(40,403)	(40,403)	(40,403)	0	0	0
Total	**(118,124)**	**(119,254)**	**(96,126)**	**(3,458)**	**(19,496)**	**(174)**

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

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

Note that for Line B – Revolving of the New Loan outstanding as at 31 December 2020, unused as at the reporting date, contractual cash flows will have a maximum duration of six months.

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(c) Interest rate risk

Floating rate financial liabilities are summarised below:

(In thousands of EUR)	2020	2019	Change
Non-guaranteed bank loans and borrowings	3,322	11,140	(7,818)
M/L loan within 18 months	7,918	0	7,918
Line A New Loan	10,450	13,417	(2,967)
Total financial liabilities	**21,690**	**24,557**	**(2,867)**

If the interest rates had increased by 1% at the reporting date, the equity and the net profit (loss) for the year would have been negatively affected, gross of the related tax effect, by approximately EUR 100 thousand. However, the potential effect of extreme circumstances that cannot be reasonably foreseen remains excluded.

A derivative contract hedging the risk of interest rate change is in place for a portion equal to 50% of the nominal value of the amortising line for the first three years of the New Loan.

(d) Fair value

- **Fair value and carrying amount**

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

(In thousands of EUR)	31.12.2020		31.12.2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Held-to-maturity investments	39	39	43	43
Trade receivables and other assets	116,662	116,662	124,836	124,836
Cash and cash equivalents	17,002	17,002	6,531	6,531
Lease liabilities	(12,654)	(12,654)	(12,051)	(12,051)
Line A New Loan	(10,450)	(10,450)	(13,417)	(13,417)
M/L loan within 18 months	(7,918)	(7,918)	0	0
Non-guaranteed bank loans and borrowings	(3,322)	(3,322)	(11,140)	(11,140)
Trade payable and other liabilities	(43,296)	(43,296)	(41,113)	(41,113)
Employee benefits	(44,301)	(44,301)	(41,561)	(41,561)
Total	**11,762**	**11,762**	**12,128**	**12,128**

- **Methods for determining fair value**

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

- *Non-derivative financial liabilities*

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

- *Derivative financial liabilities*

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

- *Trade receivables and other assets*

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

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

- *Fair value hierarchy*

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

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

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

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

(In thousands of EUR)	Hedging IRS	
	31/12/2020	**31/12/2019**
Level 1	0	0
Level 2	(33)	(26)
Level 3	0	0
Total	**(33)**	**(26)**

31. Leases

The Group, for the purposes of its business, makes use of several leases, mainly for car rental and property leases for the branches and offices.

32. Related parties

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

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

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

During the meeting of 12 October 2015, the Board of Directors approved and subsequently updated, most recently on 3 October 2019, the related party transactions policy and procedure, in accordance with Article 2391-bis of the Italian Civil Code and with the "Related party transactions regulations" adopted by CONSOB with resolution no. 17221 of 12 March 2010 and subsequent amendments.

The total value of the transactions and residual balances is as follows:

Description *(in thousands of EUR)*	**Total 2020**	**Other related parties**	**Total related parties**	**% weight on financial statement items**
1 Employee costs	32,270	2,761	2,761	8.56%

Description *(in thousands of EUR)*	Total 2019	Other related parties	Total related parties	% weight on financial statement items
1 Employee costs	33,224	2,734	2,734	8.23%

As shown in note 33 below, the item Employee costs from Other related parties includes costs equal to EUR 1,839 thousand in 2020 (EUR 1,804 thousand in 2019) for the Board of Directors, EUR 591 thousand in 2020 (EUR 621 thousand in 2019) for Key management personnel and EUR 331 thousand in 2020 (EUR 309 thousand in 2019) for salaries paid to close relatives of the latter.

In the course of normal business, the Group has provided contract worker supply services and has collaborated with related parties for immaterial amounts and under market conditions.

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

The general conditions that regulate the transactions with key management personnel and their related parties were not more favourable than those applied, or that could reasonably be applied, in the case of similar transactions with non-key management personnel associated with the same bodies at normal market conditions.

The total remuneration of Group key management personnel, recorded in the item Personnel expense and costs for services, amounted to EUR 2,430 thousand, of which EUR 1,839 thousand for members of the Board of Directors and EUR 591 thousand for key management personnel (EUR 2,425 thousand in 2019, of which EUR 1,804 thousand for the members of the Board of Directors and EUR 621 thousand for key management personnel). In addition to salaries, the Group also offers certain key management personnel benefits in kind according to the ordinary contractual practice for company managers. It should be noted that the Board of Directors has assigned to Directors and key management personnel the option, i.e. the right to receive a sum of money corresponding to the increase in the value of Openjobmetis S.p.A. shares at the end of the three-year vesting period and subject to the occurrence of the conditions contained in the "Informational document relating to the incentive plan" based on the attribution of Phantom Stock Options available on the company website and to which explicit reference is made. The shareholders' meeting of 17 April 2019 approved the adoption of a 2019-2021 Performance Shares Plan which provides for the right of directors, key management personnel and other key employees to receive, at the end of the three-year vesting period, ordinary shares of Openjobmetis S.p.A. subject to the achievement of certain Performance Objectives as described in the above Plan (to which explicit reference is made). On 15 May 2020, in order to deal with the impact of the Covid-

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19 emergency, all beneficiaries identified for the first tranche of the phantom stock options plan formalised an unconditional and irrevocable waiver of the right to exercise options accrued, with a subsequent economic benefit for the company of approximately EUR 441 thousand.

It should also be noted that the remuneration to certain Directors has been paid to their respective companies rather than to individual beneficiaries, according to an agreement between them and the companies in question, for a total of EUR 40 thousand in 2020 (EUR 39 thousand in 2019).

For more information regarding fees of said managers, reference is made to the 2020 Remuneration Report published in the "Corporate Governance" section of the company website.

Remuneration to the Board of Statutory Auditors for 2020 amounted to EUR 88 thousand (EUR 88 thousand in 2019).

The total amount of transactions with said key management personnel and bodies over which they exercise control or significant influence is as follows:

Remuneration *(in thousands of EUR)*	**Remuneration of the parent**	**Non-monetary benefits**	**Bonuses and other incentives**	**Remuneration of subsidiaries**	**Total remuneration**
Members of the Board of Directors	990	None	371	478	1,839
Key management personnel	430	None	161	0	591
Total BoD and Key management personnel	**1,420**	**None**	**532**	**478**	**2,430**

Remuneration *(in thousands of EUR)*	**Remuneration of the parent**	**Non-monetary benefits**	**Bonuses and other incentives**	**Remuneration of subsidiaries**	**Total remuneration**
Board of Statutory Auditors	88	None	0	0	88
Total Board of Statutory Auditors	**88**	**None**	**0**	**0**	**88**
Total remuneration of key management personnel	**1,508**	**None**	**532**	**478**	**2,518**

34. Compensation to the audit company

Type of services	**Service provider**	**Recipient**	**Compensation and costs** *(in thousands of EUR)*
Audit	KPMG S.p.A.	Openjobmetis S.p.A.	160
Audit	KPMG S.p.A.	Openjob Consulting S.r.l.	12
Audit	KPMG S.p.A.	Seltis S.r.l.	12
Audit	KPMG S.p.A.	Family Care S.r.l.	22
Total compensation for audit services			**206**
Forma.Temp statement	KPMG S.p.A.	Openjobmetis S.p.A.	4
Non-financial statement	KPMG S.p.A.	Openjobmetis S.p.A.	15
Total			**225**

Auditing services for Openjobmetis S.p.A. include the statutory audit of the consolidated financial statements as at and for the year ended 31 December 2020 and the review of the interim consolidated financial statements as at 30 June 2020.

35. Atypical and/or unusual transactions

The consolidated financial statements as at 31 December 2020 do not show any income components or capital and financial items, either positive or negative, arising from atypical and/or unusual events and transactions, as defined in Consob communication No. DEM/606493 of 28 July 2006.

36. Significant non-recurring events and transactions

In compliance with Consob communication no. DEM/6064293 of 28 July 2006, with regard to events or transactions whose occurrence is non-recurring or those transactions or events that do not occur frequently in the ordinary course of business, please refer to the comments in note 24, in relation to due diligence and consultancy services for EUR 418 thousand (approximately 1.7% of costs for services and approximately 4.5% of trade payables) and in note 28, in relation to the effect on income taxes deriving from the tax realignment of the goodwill pursuant to article 110.8/8-bis of Law decree no. 104/2020 for a total of EUR 18,006 thousand (approximately 98.6% of prepaid taxes and approximately 91.0% of deferred tax assets and approximately 45.2% of current taxes and approximately 99.9% of current and non-current tax liabilities).

37. Information required by article 1.125-129 of Law no. 124/2017

It should be noted that during the year the company did not receive any public grants, subsidies, benefits, contributions or aid, in cash or in kind, which are not general in nature and are not a form of consideration, remuneration or compensation, in addition to what has already been published on the site:

https://www.rna.gov.it/RegistroNazionaleTrasparenza/faces/pages/TrasparenzaAiuto.jspx

38. Earnings per share

The calculation of earnings per share for the years ended 31 December 2020 and 31 December 2019 is shown in the following table and is based on the ratio of profit (loss) attributable to the Group to the weighted average number of issued outstanding shares.

(In thousands of EUR)	2020	2019
Profit (loss) for the year	23,642	10,404
Average number of shares in thousands*	13,026	13,209
Basic earnings per share (in EUR)	**1.81**	**0.79**
Diluted earnings per share (in EUR)	**1.81**	**0.79**

* *The average number of shares is calculated net of treasury shares purchased following the buy-back programme, as described in more detail in Note 19, to which reference is made.*

Taking into account the characteristics of the existing Stock Option plan, there are no significant impacts on diluted earnings per share.

As indicated in note 39 below, in January the group signed an agreement to acquire the entire share capital of Quanta S.p.A., Quanta Ressources Humaines SA, and indirectly acquire the respective subsidiaries, for which the agreed consideration entails, in addition to a cash portion, the assignment to the seller of 685,000 treasury shares, already held as at 31 December 2020. Completion of the transaction on the basis of the above will have a significant effect on the average number of shares outstanding. The average number of shares used to determine the basic and diluted earnings per share as per the previous table does not take this effect into account.

39. Subsequent events

On 25 January 2021, Openjobmetis S.p.A. announced that it had signed an agreement to acquire 100% of the capital of Quanta S.p.A. and 100% of the share capital of Quanta Ressources Humaines SA, and indirectly of the respective Italian and foreign subsidiaries. The agreed consideration consists of a cash portion of EUR 20 million, in addition to the allocation to the seller of 685,000 treasury shares already held by Openjobmetis S.p.A., representing 4.99% of the share capital. A 5-year non-compete agreement is expected to be signed with the seller, worth a total of EUR 1.5 million. The real estate branch is expected to be spun-off in favour of the seller before the closing. The agreements ensure that, by antedating the effects of the spin-off of the real estate branch, as at 30 September 2020, the Quanta Group presents net financial indebtedness lower than EUR 16.8 million. To cover the aforementioned indebtedness, the transaction provides for guarantees in relation to which specific indemnity obligations have been agreed, guaranteed by escrow agreements.

Milan, 16 March 2021

On behalf of the Board of Directors

The Chairman

Marco Vittorelli

(signed on the original)

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

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

- the adequacy in relation to the characteristics of the company and
- the actual application of the administrative and accounting procedures for the preparation of the consolidated financial statements, in the year from *01/01/2020 to 31/12/2020.*

2. In this regard, it should be noted that the adequacy of the administrative and accounting procedures used to prepare the consolidated financial statements as at and for the year ended 31 December 2020 was assessed on the basis of the assessment of the system of internal controls and for the audit of the processes directly or indirectly connected with the preparation of the accounting and financial statement data.

3. We confirm that:

I. The consolidated financial statements as at and for the year ended 31 December 2020:

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

II. The directors' report Directors' reportof the separate and consolidated financial statements includes a reliable analysis of the operating performance and results, as well as the situation of the issuer, the events that have occurred during the year and their impact on the financial statements, together with the description of the main risks and uncertainties to which the Group is exposed. The directors' report Directors' reportalso contains information on significant transactions with related parties. Pursuant to the provisions of Article 154-ter of Legislative decree no. 58/98

Milan, 16 March 2021

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

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

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Openjobmetis S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Openjobmetis Group (the "Group"), which comprise the statement of financial position as at 31 December 2020, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Openjobmetis Group as at 31 December 2020 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Openjobmetis S.p.A. (the "Parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Limited, società di diritto inglese.

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20124 Milano MI ITALIA

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of goodwill

Notes to the consolidated financial statements: 2 "Significant accounting policies" and 5 "Intangible assets and goodwill"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2020 include goodwill of €75,126 thousand (€74,438 thousand at 31 December 2019) arising from non-recurring transactions and acquisitions carried out in 2020 and in previous years. This goodwill is allocated to the cash-generating unit comprising the Group's operating assets and liabilities. The directors, assisted by an external advisor, prepared an impairment test of goodwill, approved by the board of directors on 16 March 2021, in order to identify any impairment losses compared to its recoverable amount. The directors estimated the recoverable amount based on its value in use, calculated using the discounted cash flow model by discounting the expected cash flows set out in the 2021-2025 business plan approved by the board of directors on 4 February 2021. Impairment testing entails a high level of judgement, especially in relation to: — the expected cash flows, calculated by taking into account the general economic performance, that of the Group's sector, the effect thereon of the ongoing COVID-19 pandemic, and the actual cash flows generated by the cash-generating unit in recent years; — the financial parameters to be used to discount the above cash flows. For the above reasons and considering the materiality of the financial statements caption, we believe that the measurement of goodwill is a key audit matter.	Our audit procedures, which also involved our own specialists, included: — updating our understanding of the process adopted to prepare the 2021-2025 business plan and the impairment test, assessing the design and implementation of relevant controls and performing procedures to assess their operating effectiveness; — checking any discrepancies between previous years forecast and actual figures, in order to check the accuracy of the estimation process; — analysing the reasonableness of the expected cash flows and the key assumptions used by the directors to prepare the business plan used for impairment testing. We also compared the expected cash flows and key assumptions to the Group's historical figures and external information, where available; — assessing the reasonableness of the impairment testing model and related assumptions, especially in relation to the discount rate, based on the related components, and comparing them to external data and information; — checking any discrepancies between the most recent financial information prepared and the data included in the business plan and understanding the reasons therefor; — comparing the value in use arising from the impairment test to the market capitalisation; — checking the sensitivity analysis presented in the notes in relation to the

Key audit matter	Audit procedures addressing the key audit matter
	main assumptions used for impairment testing; — assessing the appropriateness of the disclosures provided in the notes about the measurement of goodwill.

Measurement of trade receivables

Notes to the consolidated financial statements: 2 "Significant accounting policies", 10 "Trade receivables" and 30 (a) "Financial instruments – credit risk"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2020 include trade receivables of €108,911 thousand, net of the loss allowance of €5,545 thousand (€116,357 thousand at 31 December 2019, net of the loss allowance of €4,866 thousand). In Italy, the Group has a large number of customers operating in various sectors, especially small to medium sized companies. Accordingly, any worsening in the general market conditions or a negative performance of the credit market could have an adverse impact on the Group's transactions with these customers, affecting its ability to collect its trade receivables and affecting its working capital management. Considering the nature of existing trade receivables, the Group estimated the impairment losses on trade receivables based on a specific assessment of the exposures individually significant or under dispute. It also performed a collective assessment by groups of homogeneous exposures. The loss allowance is based on the lifetime expected credit losses, estimated considering many factors, including: — trade receivables' aging; — customer's solvency; — historical figures adjusted if necessary by scalar factors to reflect the expected market conditions over the entire expected lives of the receivables. Accordingly, calculating the loss allowance requires a high level of judgement. For the above reasons and considering the materiality of the financial statements	Our audit procedures included: — updating our understanding of the process adopted to monitor and manage credit risk; — assessing the design and implementation of relevant controls and performing procedures to assess their operating effectiveness, including the Group's checks of its customers' solvency and assignment of a credit rating to them, the regular monitoring of past due exposures and of the implementation of the related recovery measures; — assessing the reasonableness of the trade receivable measurement model adopted by the Group, in relation to the collective and individual assessments, through discussions with the relevant internal departments and considering the Group's past experience and expectations about the market conditions over the entire expected lives of the receivables and our knowledge of its sector; — sample-based analysis of collections from customers after the reporting date relating to trade receivables existing at the reporting date; — on a sample basis and with reference to the main past due exposures, discussing the recoverability prospects with the relevant internal departments and checking their consistency, by assessing the reasonableness of estimates based on our understanding of the Group's business, its past experience, the reference environment

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Key audit matter	Audit procedures addressing the key audit matter
caption, we believe that the measurement of trade receivables is a key audit matter.	and publicly-available information about its customers' financial position and performance; — sending written requests for information to the legal advisors assisting the Group with credit recovery and checking the individual assessments made by the Group for consistency with the information obtained; — assessing the appropriateness of the disclosures provided in the notes about the measurement of trade receivables.

Responsibilities of the Parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

— identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 12 October 2015, the shareholders of Openjobmetis S.p.A. appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2015 to 31 December 2023.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the Parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The directors of Openjobmetis S.p.A. are responsible for the preparation of the Group's directors' report and the report on corporate governance and ownership structure at 31 December 2020 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the Group's consolidated financial statements at 31 December 2020 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the Group's consolidated financial statements at 31 December 2020 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Statement pursuant to article 4 of the Consob regulation implementing Legislative decree no. 254/16

The directors of Openjobmetis S.p.A. are responsible for the preparation of a consolidated non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such consolidated non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, we attested the compliance of the consolidated non-financial statement separately.

Milan, 24 March 2021

KPMG S.p.A.

(signed on the original)

Luisa Polignano
Director of Audit

SEPARATE FINANCIAL STATEMENTS

Statement of Financial Position

(In EUR)	Notes	31.12.2020	31.12.2019
ASSETS			
Non-current assets			
Property, plant and equipment	*3*	2,285,884	2,198,950
Right of use for leases	*3*	10,503,134	10,621,687
Intangible assets and goodwill	*4*	72,018,228	72,260,475
Equity investments in subsidiaries	*5*	5,454,487	4,264,206
Financial assets	*6*	27,875	27,931
Deferred tax assets	*7*	21,870,031	1,595,009
Total non-current assets		**112,159,639**	**90,968,258**
Current assets			
Cash and cash equivalents	*8*	13,876,437	2,348,109
Trade receivables	*9*	103,927,293	113,859,847
Other assets	*10*	7,541,744	8,483,355
Current tax assets	*11*	232,911	1,043,383
Assets held for sale		0	1,536,543
Total current assets		**125,578,385**	**127,271,237**
Total assets		**237,738,024**	**218,239,495**
LIABILITIES AND EQUITY			
Non-current liabilities			
Financial liabilities	*12*	7,449,554	10,417,013
Lease liabilities	*12*	7,417,002	7,532,099
Derivatives	*12-29*	32,926	26,002
Non-current tax liabilities	*16*	1,435,000	0
Employee benefits	*13*	639,062	599,923
Total non-current liabilities		**16,973,544**	**18,575,037**
Current liabilities			
Bank loans and borrowings and other financial liabilities	*12*	14,156,987	14,047,952
Lease liabilities	*12*	3,154,632	3,138,612
Trade payables	*14*	9,179,178	7,563,097
Employee benefits	*13*	40,996,388	39,766,152
Other liabilities	*15*	30,468,878	32,391,664
Current tax liabilities	*16*	717,000	0
Provisions	*17*	1,715,673	1,744,405
Liabilities directly related to assets held for sale		0	1,436,543
Total current liabilities		**100,388,736**	**100,088,425**
Total liabilities		**117,362,280**	**118,663,462**
EQUITY			
Share capital		13,712,000	13,712,000
Legal reserve		2,811,996	2,292,707
Share premium reserve		31,545,661	31,545,661
Other reserves		47,770,505	41,639,879
Profit (loss) for the year		24,535,582	10,385,786
Total equity	***18***	**120,375,744**	**99,576,033**
Total liabilities and equity		**237,738,024**	**218,239,495**

Statement of Comprehensive Income

(In EUR)	Notes	2020	2019
Revenue	*19*	495,125,689	556,711,439
Costs of contract work	*21*	(440,125,615)	(491,886,630)
First contribution margin		**55,000,074**	**64,824,809**
Other income	*20*	8,618,722	12,969,396
Personnel expense	*21*	(26,367,290)	(28,992,339)
Cost of raw materials and consumables	*22*	(146,551)	(218,671)
Costs for services	*23*	(22,850,052)	(28,390,020)
Amortisation, depreciation and impairment losses	*3,4,5*	(5,621,458)	(5,173,392)
Impairment losses on trade receivables and other assets	*25*	(1,590,739)	(3,044,000)
Other operating expenses	*24*	(529,427)	(643,132)
Operating profit (loss)		**6,513,279**	**11,332,651**
Financial income	*26*	2,932,836	3,342,311
Financial expense	*26*	(501,473)	(722,126)
Profit (loss) before taxes		**8,944,642**	**13,952,836**
Income taxes	*27*	15,590,940	(3,567,050)
Profit (loss) for the year		**24,535,582**	**10,385,786**
Other comprehensive income (expense)			
Components that are or may subsequently be reclassified to profit or loss			
Fair value losses on cash flow hedges		(6,924)	(26,002)
Components that will not be reclassified to profit/loss			
Actuarial loss		(24,372)	(57,930)
Other comprehensive expense for the year		**(31,296)**	**(83,932)**
Comprehensive income for the year		**24,504,286**	**10,301,854**

Statement of Changes in Equity

(In thousands of EUR)	Note	Share capital	Legal reserve	Share premium reserve	Other reserves	Hedging reserve and actuarial reserve	Profit (loss) for the year	Shareholders' Equity
Balances as at 01/01/2018	**18**	**13,712**	**1,090**	**31,545**	**26,426**	**(54)**	**11,279**	**83,998**
Allocation of profit (loss) for the year			564		10,715		(11,279)	0
Purchase of treasury shares					(3,920)			(3,920)
Actuarial gain (loss)						42		42
Profit (loss) for the year	18						12,782	12,782
Comprehensive income for the year	18					42	12,782	12,824
Balances as at 31/12/2018	**18**	**13,712**	**1,654**	**31,545**	**33,221**	**(12)**	**12,782**	**92,902**
Allocation of profit (loss) for the year			639		12,143		(12,782)	
Dividend distribution					(3,059)			(3,059)
Repurchase of treasury shares					(650)			(650)
Fair value losses on cash flow hedges						(26)		(26)
Fair value share-based plans					81			81
Actuarial loss						(58)		(58)
Profit (loss) for the year	18						10,386	10,386
Comprehensive income (expense) for the year	18					(84)	10,386	10,302
Balances as at 31/12/2019	**18**	**13,712**	**2,293**	**31,546**	**41,736**	**(96)**	**10,386**	**99,576**
Allocation of profit (loss) for the year			519		9,867		(10,386)	
Dividend distribution					(2,769)			(2,769)
Repurchase of treasury shares					(1,074)			(1,074)
Fair value losses on cash flow hedges						(7)		(7)
Fair value share-based plans					139			139
Actuarial loss						(24)		(24)
Rounding					(1)			(1)
Profit (loss) for the year	18						24,536	24,536
Total comprehensive income (expense) for the year	**18**					**(31)**	**24,536**	**24,505**
Balances as at 31/12/2020	**18**	**13,712**	**2,812**	**31,546**	**47,898**	**(127)**	**24,536**	**120,376**

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Statement of Cash Flows

(In EUR)	Note	2020	2019
Cash flows from operating activities			
Profit (loss) for the year		24,535,582	10,385,786
Adjustments for:			
Depreciation of property, plant and equipment	*3*	411,883	419,123
Amortisation of intangible assets	*4*	265,637	322,436
Depreciation of right-of-use assets IFRS 16		3,443,938	3,681,833
Capital losses on sales of property, plant and equipment		18,371	7,528
Net decreases of financial assets	6.26	1,500,000	750,000
Impairment loss on trade receivables	*25*	1,590,739	3,044,000
Current and deferred taxes	*27*	(15,590,940)	3,567,050
Net financial income	*26*	(2,431,363)	(2,620,185)
Cash flows before changes in working capital and provisions		**13,743,847**	**19,557,571**
Change in trade receivables and other assets gross of impairment loss	*10,11,26*	9,283,425	(3,353,575)
Change in trade payables and other liabilities	*15.16*	(676,227)	1,754,379
Change in employee benefits	*13*	1,383,670	494,114
Change in current and deferred tax assets and liabilities net of paid taxes for the year and current and deferred taxes for the year	*7,11,16,27*	280,325	1,276,600
Change in provisions	*17*	(28,732)	15,261
Income taxes		(2,001,935)	(6,197,560)
Cash flows generated by operating activities (a)		**21,984,374**	**13,546,790**
Cash flows from investing activities			
Purchase of property, plant and equipment	*3*	(517,187)	(605,726)
Proceeds from sales of property, plant and equipment		0	27,960
Purchase of equity investments		(1,420,758)	(1,275,498)
Other net increases in intangible assets	*4*	(23,390)	(67,800)
Change in other financial assets	*6*	56	(25,649)
Cash and cash equivalents absorbed by investing activities (b)		**(1,961,279)**	**(1,946,713)**
Interest paid		(166,957)	(606,126)
Lease payments	*12*	(3,589,107)	(3,770,652)
Interest and dividends received	*26*	2,762,962	3,342,311
New loan disbursement	*12*	10,000,000	15,000,000
Dividend distribution		(2,768,842)	(3,059,147)
Repayment of loan instalments	*12*	(5,081,425)	(15,300,000)
Repurchase of treasury shares		(1,074,399)	(650,909)
Purchase of third party shares		(200,000)	0
Capital payment		(600,000)	(640,000)
Change in current bank loans and borrowings and other loans		(7,777,000)	(5,687,473)
Cash and cash equivalents absorbed by financing activities (c)		**(8,494,767)**	**(11,371,996)**
Cash flows for the year (a) + (b) + (c)		**11,528,328**	**228,081**
Cash and cash equivalents as at 1 January	***8***	**2,348,108**	**2,417,661**
Cash and cash equivalents as at 31 December	**8**	**13,876,437**	**2,645,742**

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Notes to the Separate Financial Statements

General information

Openjobmetis S.p.A. (the "Company") is based in Italy, Via G. Fara 35, Milan.

The Company operates in the staffing industry i.e. the professional supply of permanent or fixed-term labour, pursuant to article 20 of Legislative decree no. 276/2003 as amended and supplemented, pursuant to Article 4.1.a) thereof,

In accordance with Article 2497-bis of the Italian Civil Code, the Company is not subject to the management and coordination of other corporate structures, as all business decisions are taken independently by the Board of Directors and the key management personnel of Openjobmetis S.p.A..

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

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

The impacts of the Covid-19 pandemic and the resilience of Openjobmetis

With reference to that which was indicated by the European Securities and Markets Authority (ESMA) on 28 October 2020 (European common enforcement priorities for 2020 annual financial reports) and in previous communications, and by CONSOB, referred to in "Warnings" no. 6/20 of 9 April 2020, no. 8/20 of 16 July 2020 and no. 1/21 of 16 February 2021, Company management has implemented regular monitoring of the actual and potential impacts of the Covid-19 emergency on its business activities, financial situation and economic performance. Particular focus is being given to developments in the macroeconomic scenario and the labour market, as indicated in the directors' report, and credit risk and liquidity risk are undergoing specific assessments, as described in more detail below and in the directors' report.

The impact of the Covid 19 pandemic has obviously affected the performance of the Openjobmetis Group as well the following: the second quarter of the year was more affected, with a drop in revenue of approximately 28% compared to the same period of the previous year. In particular, the month of April, with a drop in revenue of more than 40% compared to the same month in 2019, which suffered the most from the effects of the pandemic, as due to the "lockdown" imposed by the Italian Government most of the production activities had to temporarily closed in Italy, with the exception of the so-called "essential activities" which were allowed to continue their operations, including those undertaken by Openjobmetis S.p.A..

Starting on 4 May (from 27 April only for certain companies and districts in the manufacturing sector as well as companies in the construction sector), the Government implemented a plan to return to normality, known as Phase 2, that led to a gradual reopening of activities. In this new phase, the month of May showed a growth in revenue that reached +40% compared to April, but remained below that recorded in May 2019 (-28%). The recovery continued in June, which saw revenue grow further by 18% compared to May (-13% compared to June 2019). The first half of the year ended with a 14.9% drop in revenue. From the third quarter of 2020 there was a further recovery in revenue, which continued into the last part of the year: the third quarter recorded +25.2% on the second, and the fourth quarter +11.8% on the third. In addition, in the second half of the year, the gap with respect to 2019 gradually narrowed: in July, August and September 2020, the Group's total revenue decreased by only 4.2% compared to the same months in 2019 and in the last quarter of the year, revenue was actually in line with the same period of 2019 (-0.7%), despite the ongoing complex context and the fresh wave of Covid-19 infections in the autumn months, with simultaneous measures launched by the Government to contain the pandemic. The situation described above shows that Openjobmetis has shown a consistent resilience to the economic crisis resulting from the pandemic. There are two reasons for this: a) Openjobmetis is minimally exposed to the sectors most affected by the crisis, namely tourism, Ho.Re.Ca. (Hotel, Restaurant and Catering) and logistics and transport; b) Openjobmetis is a generalist: by offering work to companies operating in all sectors, the Company is able to differentiate the risks (including those related to the pandemic) linked to specific sectors. This premise, together with the considerations made later in this paragraph, leads us to believe that the pandemic and the resulting crisis will not have a structural impact on the Group's business model and the context in which it operates, since there is no uncertainty regarding business continuity, but rather the main impact will be on *momentum*.

It should also be noted that the levels of absenteeism, resulting from the pandemic effects of Covid-19, returned to normal in the second half of the year after the leap in March and April.

In order to limit the financial repercussions of the pandemic and maintain profitability, starting from April 2020 Openjobmetis adopted a plan to control and contain costs, the results of which were already visible from the second quarter of the year. It should also be noted that the Group took advantage of the government-sponsored lay-off scheme(Cassa Integrazione Guadagni) only for some subsidiaries which, due to the intrinsic characteristics of their business, could not operate during this complex phase, for example managerial training.

As at 31 December 2020, Openjobmetis benefited from the salary supplement (Trattamento di Integrazione Salariale - TIS) for contract workers of EUR 18,467 thousand, the amount of which is reimbursed by Forma.Temp and is recognised in the income statement for the period as a direct reduction of cost.

With a view to making a concrete contribution to the effort made by the Company, at all levels, in dealing with the impact of the Covid-19 emergency, on 15 May 2020 all beneficiaries identified for the first tranche of the phantom stock options plan formalised an unconditional and irrevocable waiver of the right to exercise options accrued for a value of approximately EUR 441 thousand.

In relation to the lockdown months, the Company negotiated a number of reductions in the rents of properties for which, in application of the IASB amendment "Covid-19 related rent concessions – Amendment to IFRS 16", other income was recognised for EUR 256 thousand as at 31 December 2020.

The Company took into account the elements of uncertainty deriving from the spread of the Covid-19 pandemic as part of the impairment test on goodwill as at 31 December 2020, as specified in note 5 to the consolidated financial statements and note 4 to the separate financial statements. Based on the impairment test carried out, the value in use was higher than the carrying amount of the cash generating unit, and therefore no impairment losses were made as at 31 December 2020, as in previous years.

To date, there are no particular risk situations relating to the solvency of Openjobmetis customers compared to the pre-Covid period. This is demonstrated by the average collection times (DSO) which as at 31 December 2020 amounted to 76 days, in line with the figure as at 31 December 2019 (74 days). In addition, net financial indebtedness was also down as at 31 December 2020 (EUR 17.4 million vs EUR 30.1 million at 31 December 2019), with a positive cash flow generated by operating activities of EUR 23.1 million (EUR 15.3 million as at 31 December 2019). Nevertheless, as a precautionary measure in the first half of the year the Company decided to take out two additional 18-month loans with leading credit institutions, for a total amount of EUR 10 million which, together with the existing non-current- loans, would provide further protection in the event of any financial tension on the markets.
Openjobmetis S.p.A. continued to operate regularly during the year, guaranteeing normal support to user companies. Headquarters and branch activities were carried out thanks to a very efficiently

implemented "agile work" plan, based on the use of digital communication and sharing platforms. The company officially reopened its offices on 18 May 2020. To safeguard the health of its employees, a detailed safety protocol was launched which envisaged, among other things: dividing up the various departments into groups to maximise social distancing, measuring body temperature upon entry to the offices, distributing disinfectant hand gel stations and separating neighbouring workspaces using Plexiglas panels. In addition, each employee was given a PPE kit consisting of masks and face shields. Employees are regularly given additional masks. Lastly, on several occasions (for example, when returning from summer and winter holidays), the Company's personnel were given the opportunity to carry out serological tests or swabs free of charge.

In relation to the purchase of PPE for the Company's personnel and for the adjustment of working spaces and relative interventions, costs were incurred during the year for approximately EUR 150 thousand.

In 2020, the Company took advantage of the possibility of realigning the tax value of goodwill, in accordance with article 110.8/8-bis of Law decree no. 104/2020, s, with a positive effect on income taxes for a total of EUR 18.0 million (for further details, please refer to point 27 of the notes to the separate financial statements).

Accounting standards and basis of presentation adopted in preparing the separate financial statements

1. Accounting standards and statement of compliance

These separate financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and interpretations thereof in force as at 31 December 2020, as well as measures issued in implementation of article 9 of Legislative decree no. 38/05. The rules of national legislation implementing directive 2013/34 EU also apply, insofar as they are compatible, to companies that prepare IFRS financial statements. Therefore, the separate financial statements incorporate what is laid out in the articles of the Italian Civil Code and the corresponding rules of the CFA for listed companies on the matter of the directors' report, auditing and the publication of financial statements. The separate financial statements and the relative notes also provide the details and supplementary information required by other rules and provisions of Consob on financial statements. The separate financial statements contain the statement of financial position, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the relevant notes.

In preparing these separate financial statements, the following formats, selected from the various options allowed by IAS 1, were used:

- the statement of financial position was prepared by classifying the values according to the format of current/non-current assets/liabilities;
- the statement of comprehensive income was prepared by classifying the items by nature;
- the statement of cash flows was prepared using the indirect method.

The purpose of the notes is to illustrate the preparation criteria adopted and to provide the information required by IAS/IFRS and not contained in other parts of the financial statements, as well as any additional information that is not shown in the financial statements but is necessary for a reliable representation of the Company's activities.

The separate financial statements were prepared on the basis of the accounting records as at 31 December 2020 on a going concern basis and are accompanied by the directors' report.

The Company's separate financial statements for the year ended as at 31 December 2020 were approved by the Board of Directors of the Company at the meeting held on 16 March 2021, when the sharing of the results through a press release dated 16 March 2021 containing the main elements of the financial statements was authorised. The Board of Directors of Openjobmetis S.p.A. has the authority to amend the separate financial statements until the date of the Shareholders' Meeting called to approve the Company's financial statements. The Shareholders' Meeting has the authority to request changes to these separate financial statements.

The separate financial statements are prepared with amounts rounded to the nearest Euro, the Company's functional currency. Moreover, for the purpose of transparency, the mandatory items pursuant to IAS 1 with zero balances were omitted in the schedules and tables, in both periods presented for comparison.

In compliance with Consob resolution no. 15519 of 27 July 2006 and Consob Communication no. DEM/6064293 of 28 July 2006, note 35 indicates separately the events or transactions whose occurrence is non-recurring or those transactions or events which do not occur frequently in the ordinary course of business. Also in application of the same Consob references, any incidences of non-recurring significant events and transactions are reported in note 35, while in note 31 the relative incidences regarding positions and transactions with related parties are indicated separately.

The most important accounting policies and standards used by the Company to prepare the separate financial statements are described below.

2. Significant accounting policies

(a) General, adoption of new accounting standards, amendments and interpretations issued by the IASB

New accounting standards adopted by the Company from 1 January 2020

These financial statements have been prepared using the same accounting standards applied by the Company in the last annual financial statements. There are no new standards or amendments that entered into force on 1 January 2020 and that have a significant impact on the financial statements, besides the amendment to IFRS 16 "Concessions on fees related to Covid-19".

Use of estimates and valuations

While preparing the separate financial statements, company management had to formulate valuations, estimates and assumptions that affect the application of the accounting policies and the amounts of assets, liabilities, costs and revenue recognised in the financial statements.

These estimates and assumptions are regularly revised; any changes resulting from the revision of accounting estimates are recognised in the year in which the revision is carried out and in future years.

The main subjective assessments made by the Group management in applying the accounting standards and the main sources of uncertainty in estimates were the same as those applied for the preparation of the financial statements for the year ended 31 December 2019.

In particular, information on the areas of greater uncertainty in the formulation of estimates and valuations during the process of application of IFRS that have a significant effect on the amounts recognised in the financial statements together with aspects of particular significance are provided below:

- *Impairment testing on goodwill*

Goodwill is subject to impairment tests at least annually or more often if there are indicators of an impairment loss.

Impairment testing is carried out using the discounted cash flow method: this method is highly sensitive to the assumptions contained in the estimate of future cash flows, with reference to changes in revenue, margins and collection terms from customers, and of interest rates used.

For this assessment, the company uses plans approved by the administrative body and financial parameters in line with those resulting from the current performance of the reference markets.

Details regarding the procedures for preparing the goodwill impairment test are provided in note 4.

- *Measurement of trade receivables*

The Company sets aside a loss allowance that reflects the estimate of impairment losses on trade receivables, whose main components are the individual impairment of significant exposures or those subject to disputes and collective impairment of homogeneous groups of trade receivables against losses that have not yet been identified. Collective impairment is determined on the basis of historical losses, adjusted if necessary by scale factors reflecting the differences between the economic conditions of the period during which the historical data was collected and the Company's point of view about the economic conditions over the entire expected life of the receivables. Therefore, the loss allowance is calculated based on estimates of impairment losses on receivables that the Company expects to incur and takes into account multiple elements, including:

- trade receivables' ageing;
- customer's solvency;
- historical figures, adjusted if necessary by scalar factors to reflect the economic conditions estimated over the entire expected lives of the receivables.

When there is certainty that it will not be possible to recover the amount due, the amount considered irrecoverable is written off directly from the relative financial asset.

The above requires the management to make significant estimates with regard to general economic conditions and any possible negative trends in the credit markets that could negatively impact on customer relations.

- *Provisions*

The Company is a party to certain proceedings, arising from the conduct of business and from events of a civil and tax nature involving the companies.

In addition, in view of the sector in which it operates, it is exposed to the risk of being involved in legal and/or arbitration proceedings of a labour law nature, both with reference to contract workers and to the organisational structure of the Company and in relation to contracts with independent collaborators.

In the event that it is considered probable that as a result of the dispute a disbursement of resources - the amount of which can be reliably estimated - will be required, this amount, discounted to take account of the time horizon along which the disbursement will take place, is included in the provisions for risks. Disputes for which the occurrence of a liability is considered only possible but

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not probable are disclosed in the relevant section on commitments and risks and, as a result, no allocations are made with respect thereto.

Assessing the development of such disputes can be complicated and requires the management to make significant estimates.

- *Leases*

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

(b) Equity investments in subsidiaries

The amount of equity investments in the separate financial statements is determined on the basis of the purchase or subscription price, including directly attributable incidental expenses, net of impairment losses.

(c) Cash and cash equivalents

Cash and cash equivalents include cash balances and sight deposits and are recognised at their nominal amount, which corresponds to their fair value.

(d) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments include investments in equities and debt instruments, trade receivables and other assets, financial liabilities, trade payables and other liabilities.

Trade receivables and debt securities issued are recognised when they arise. All other financial assets and financial liabilities are initially recognised at the trade date, i.e. when the Company becomes a contractual party to the financial instrument.

Except for trade receivables that do not contain a significant financing component, financial assets are initially measured at fair value plus or minus, in the case of financial assets or financial liabilities not measured at FVTPL, the transaction costs directly attributable to the acquisition or issue of the financial asset. At the time of initial recognition, trade receivables that do not have a significant financing component are measured at their transaction price.

At the time of initial recognition, a financial asset is classified according to its assessment: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for the management of financial assets. In this case, all financial assets concerned are reclassified on the first day of the first year following the change in business model.

A financial asset shall be measured at amortised cost if both of the following conditions are met and it is not designated at FVTPL: the financial asset is held within the framework of a business model whose objective is the possession of financial assets aimed at collecting the related contractual cash flows; and the contractual terms of the financial assets involve, at certain dates, cash flows exclusively represented by payments of capital and interest on the amount of capital to be returned.

A financial asset shall be measured at FVOCI if both of the following conditions are met and it is not designated at FVTPL: the financial asset is held within the framework of a business model whose objective is achieved either through the collection of the contractual cash flows or through the sale of the financial assets, and the contractual terms of the financial assets involve, at certain dates, cash flows exclusively represented by payments of capital and interest on the amount of capital to be returned.

At the time of initial recognition of an equity instrument not held for trading purposes, the Company may make the irrevocable decision to present subsequent changes in fair value in other comprehensive income (expense). This decision is made for each asset.

All financial assets not classified as measured at amortised cost or FVOCI, as indicated above, are measured at FVTPL.

At the time of initial recognition, the Company may irrevocably designate the financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting asymmetry that otherwise would result from the measurement of the financial asset at amortised cost or FVOCI.

For the purposes of assessment, the "capital" is the fair value of the financial asset at the time of initial recognition, while the "interest" constitutes consideration for the time value of money, for the credit risk associated with the amount of capital to be returned during a given period of time and for other risks and base costs linked to the loan (for example, liquidity risk and administrative costs), as well as the profit margin.

In assessing whether the contractual cash flows are represented exclusively by payments of principal and interest, the Company considers the contractual terms of the instrument. Therefore, it assesses, among other things, whether the financial asset contains a contractual clause that changes the timing or the amount of the contractual cash flows so as to not meet the following condition. For the purposes of the assessment, the Company considers: contingent events which would alter the timing or amount of the cash flows; clauses which may adjust the contractual interest rate of the coupon, including variable rate components; prepayment and extension components; and clauses which limit requests of cash flows by the Company from specific assets (for example, non-recourse components).

The financial assets of the Company, relating to trade receivables and other receivables, are classified as measured at amortised cost. These financial assets are then recognised as described above, and subsequently measured at amortised cost in accordance with the effective interest method. Impairment losses are deducted from the amortised cost. Interest income, exchange rate gains and losses and impairment losses are recognised in profit or loss for the year as well as any profits or losses on derecognition.

Before 1 January 2018, these financial assets were measured at amortised cost using the effective interest method, less impairment losses.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified at FVTPL when it is held for trading, represents a derivative or is designated as such upon initial recognition. Financial liabilities at FVTPL are measured at fair value and any changes, including interest expense, are recognised in the profit or loss for the year. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and exchange rate gains and losses are recognised in profit (loss) for the year, as well as any profits or losses deriving from derecognition. The Company's financial liabilities are classified as measured at amortised cost.

Financial assets are derecognised when the contractual rights to the cash flows arising therefrom expire, when the contractual rights to receive the cash flows within the scope of a transaction in which substantially all the risks and rewards incidental to the ownership of the financial asset are transferred or when the Company neither transfers nor retains substantially all the risks and rewards incidental to the ownership of the financial asset and does not maintain control of the financial asset.

The Company proceeds to derecognise a financial liability when the obligation specified in the contract has been fulfilled or cancelled or has expired. The Company also derecognises a financial liability when the associated contractual terms are changed and the cash flows of the modified liability are substantially different. In this case, a new financial liability is recognised at fair value on the basis of the modified contractual terms. The difference between the accounting value of the extinguished financial liability and the consideration paid (including assets not represented by cash transferred or liabilities assumed) is recognised in the profit or loss for the year.

Financial assets and liabilities may be offset and the amount resulting from offsetting is presented in the statement of financial position if, and only if, the Company currently has the legal right to offset such amounts and intends to adjust the balance on net bases or recover the asset and adjust the liability simultaneously.

Trade receivables and other assets

Trade receivables and other assets are identified as financial assets measured at amortised cost, and are initially recognised at the transaction price for trade receivables and at fair value for other assets, which generally corresponds to their nominal amount, and subsequently measured at amortised cost net of any impairment losses identified. The impairment test of receivables is based on the present value of expected cash flows.

Loss allowances for trade receivables are always measured at an amount equal to the expected losses along the life of the receivable; the Company takes into consideration reasonable and supportable information that is relevant and available. This includes quantitative and qualitative information and analyses, based on the historical experience of the Company, on credit assessment as well as forward-looking information.

Loans and borrowings

Payments on accouns and loans and borrowings are initially recognised at the fair value of the amount received, net of directly attributable additional charges. Subsequently, they are measured at amortised cost using the effective interest rate method. They are classified as current liabilities or non-current liabilities according to their settlement date.

Trade payables and other liabilities

Trade payables and other liabilities, the due date of which falls within normal current commercial terms, are initially recognised at fair value and subsequently recorded at amortised cost.

Derivatives

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The Company uses derivatives to hedge its exposure to risks of changes in interest rates. Derivatives are initially recognised at fair value; attributable transaction costs are recognised in profit or loss when incurred. After initial recognition, derivatives are measured at fair value. Their changes are accounted for as described below. At the initial designation of the hedge, the Company documents the relationship between the hedging instruments and the hedged item, including risk management objectives, strategy for undertaking the hedge, along with the methods that will be used to assess the effectiveness of the hedging instrument. Both at the beginning of the hedge and during its period of validity, the Company assesses whether the hedge is expected to be highly effective in offsetting the changes in fair value or cash flows attributable to their hedged items during the period for which the hedge is designated and if the actual results of each hedging range from 80% to 125%. In cash flow hedging transactions of a forecast transaction, the transaction must have a high probability of occurring and must present an exposure to changes in cash flows that could have an effect on the profit or loss for the year.

Changes in the fair value of the instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. For the ineffective portion, changes in fair value are recognised in profit or loss.

Hedge accounting, as indicated above, is discontinued prospectively if the instrument designated as a hedge no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised. The accumulated gain or loss is kept in equity until the envisaged transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount at the time at which it is recognised. In other cases, the amount recognised in equity is transferred to profit or loss in the same year in which the hedged item affects profit or loss.

(e) Share capital – repurchase and reissue of ordinary shares (treasury shares)

In the event of the repurchase of shares recognised in equity, the consideration paid, including any costs directly attributable to the transaction are recognised as a decrease in equity. Repurchased shares are classified as treasury shares and recorded in the reserve for treasury shares. The consideration received from the subsequent sale or reissue of treasury shares is recorded as an increase in equity. Any increase or decrease resulting from the transaction is recorded in the share premium reserve.

(f) Property, plant and equipment

An item of property, plant and equipment is measured at cost less accumulated depreciation and impairment losses.

The historical cost includes any costs directly attributable to the acquisition of the asset.

If significant components have different useful lives, these components are recorded separately.

The cost of an asset produced on a time and materials basis includes the cost of materials used and of direct labour as well as other directly attributable costs for taking the asset to the location and under the conditions required for working as intended by company management. Costs incurred after initial recognition of an item of property, plant and equipment are added to the carrying amount of the asset to which they refer if it is probable that the related future benefits will flow to the Company if the cost of the item can be reliably measured. Ordinary maintenance costs of property, plant and equipment are recognised in profit or loss during the year in which they are incurred.

The gains and losses generated by the sale of any property, plant or equipment are determined as the difference between the net proceeds on the sale and the carrying amount of the asset, and are recognised in profit or loss at the time of the disposal.

Depreciation is charged to profit or loss on a straight-line basis over the expected useful life of each item of property, plant and equipment estimated by the Company, which is reviewed every year and changes, where necessary, are applied prospectively.

The estimated useful lives in the years under review are as follows:

Asset	Depreciation
Property	33.3 years
Telephone systems	4 years
Electric installations	6.6 years
Furniture and fixtures	8.3 years
Electronic office machines	5 years
Signs	6.6 years
Sundry equipment	6.6 years
Motor vehicles	4 years
Alarm systems	3.3 years

Leasehold improvements are depreciated in the shorter period of time between the useful life and the term of the contract to which they refer.

(g) Leased assets

At the inception of the lease, the Company recognises the right-of-use asset and the lease liability.

The right-of-use asset is initially measured at cost, including the amount of the initial measurement of the lease liability, adjusted by the payments due for the lease made at or before the start date, increased by the initial direct costs incurred and an estimate of the costs that the lessee will have to incur to dismantle and remove of the underlying asset or to restore the underlying asset or site where it is located, net of lease incentives received.

The right-of-use asset is subsequently depreciated on a straight-line basis from the start date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company at the end of the lease term or, considering the cost, for the right of use, it is expected that the company will exercise the purchase option. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, determined on the same basis as that of property and equipment. In addition, the right-of-use asset is regularly reduced by any impairment losses and adjusted to reflect any changes resulting from subsequent valuations of the lease liability.

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

The marginal borrowing rate of the Company is calculated on the basis of the interest rates obtained from various external sources of financing by making some adjustments that reflect the conditions of the lease and the type of leased asset.

The lease liability is measured at amortised cost using the effective interest method and remeasured in the event of a change in future lease payments resulting from a change in an index or a rate, in the event of a change in the amount expected by the Company to be payable under residual value guarantees or when the Company changes its assessment with reference to whether it will exercise a purchase, extension or termination option, or in the event of a revision of in-substance fixed lease payments.

When the lease liability is remeasured, the lessee makes a corresponding change to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero, the lessee recognises the change in the profit or loss for the year.

The Company recognised new assets and liabilities mainly for its leases on properties used at the headquarters and from which the branches operate, and for leases on company cars. In general, real estate leases have a term of six years and contain an option to renew for a further six years exercisable at the end of the binding period, while car leases have a term of three or four years and do not contain an option to renew. Real estate leases allow the Company to withdraw from the contract with six months' notice.

The Company decided not to recognise right-of-use assets and lease liabilities relating to low-value assets and short-term leases. The Company recognises the related lease payments as an expense on a straight-line basis over the lease term.

(h) Intangible assets and goodwill

(h.1) Goodwill

Goodwill is recognised at cost, net of accumulated impairment losses, calculated as indicated below.

Goodwill is tested for impairment based on expected future cash flows on an annual basis or more frequently if events or changes in circumstances that may give rise to any impairment losses occur. The impairment loss is not reversed if the reasons that generated it no longer exist. Please see section *(i) Impairment losses* below.

(h.2) Customer relations

The value of customer relations was recorded based on the fair value identified on 30 June 2007, the business combination date between "Wm S.r.l." and the former "Openjob S.p.A.". The historical cost increased due to the acquisition of the business unit of "J.O.B. S.p.A." in 2009, the business combination with "Metis S.p.A" in 2011 and, lastly, the acquisition of the "Noi per Voi S.r.l." customer database on 1 July 2016. The value of customer relations was amortised based on the economic useful life estimated by the appraisals prepared by independent experts: 7.5 years for the business combination between "Wm S.r.l." and the former "Openjob S.p.A." and the acquisition of the business unit "J.O.B. S.p.A.", and 4.5 years for the business combination with Metis S.p.A, and, lastly, 4.5 years for the purchase of the "Noi per Voi S.r.l." customer database.

(h.3) Other intangible assets

Other intangible assets acquired by the Company, which have a finite useful life, are stated at cost, less accumulated amortisation and accumulated impairment losses and mainly include the value of software purchased from third parties and amortised over three years and the value of the Databook software developed internally, in use from 2017 and amortised over five years.

(i) Impairment losses

(i.1) Financial assets

A financial asset is impaired if there is any objective evidence that one or more events have had a negative effect on the expected estimated cash flows of that asset.

An impairment loss on a financial asset measured at amortised cost is the difference between the carrying amount and the present value of the estimated cash flows, discounted at the original effective interest rate.

Individually significant financial assets are tested separately to determine whether they have been impaired. The other financial assets are tested collectively for groups with similar credit risk characteristics.

All expected impairment losses are recognised in profit or loss.

Expected impairment losses are reversed if the subsequent increase in value can be objectively related to an event that occurred after the impairment. The reversal is recognised in profit or loss.

(i.1.1) Trade receivables

The Company sets aside a loss allowance that reflects the estimated impairment losses on trade receivables, whose main components are the individual impairment of significant exposures or those subject to disputes and collective impairment of homogeneous groups by nature and maturity of receivables against losses that have not yet been identified. Collective impairment is determined on the basis of historical losses, adjusted if necessary by scale factors reflecting the differences between the economic conditions of the period during which the historical data was collected and the Company's point of view about the economic conditions over the entire expected life of the receivables. Therefore, the loss allowance is calculated based on estimated impairment losses on receivables that the Company expects to incur and takes into account multiple elements, including:

- receivable ageing;

- customer solvency;
- prior experience, adjusted if necessary by scalar factors to reflect the economic conditions estimated over the entire expected lives of the receivables.

When there is certainty that it will not be possible to recover the amount due, the amount considered irrecoverable is written off directly from the relative value of the financial asset.

The loss allowance for financial assets measured at amortised cost is deducted from the gross carrying amount of the assets.

(i.2) Non-financial assets

At the end of each reporting period, the Company tests the carrying amounts of its financial assets for impairment. If this test shows that the assets have actually been impaired, the Company estimates their recoverable amount. The recoverable amount of goodwill and of the intangible assets that are not yet available for use is estimated at each reporting date.

When the carrying amount of an asset or of a cash-generating unit exceeds its recoverable amount, the Company recognises the related impairment loss. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognised in profit or loss. Impairment losses of cash-generating units are charged first of all as a reduction of the carrying amount of the goodwill assigned to the cash-generating unit and, secondly, as a reduction of the other assets of the unit (group of units) proportionally to the carrying amount.

The recoverable amount of an asset or of a cash-generating unit is the higher of its value in use and its fair value less costs to sell. To determine the value in use, the Company uses the estimated expected cash flow discounting method. The cash flows are discounted by using a discount rate that reflects the current market evaluations of the time value of money and of the asset's specific risks (WACC – weighted average cost of capital). Expected cash flows are inferred from plans approved by the competent Board of Directors.

Impairment losses of goodwill cannot be reversed. In the case of other assets, at each reporting date, impairment losses recognised in previous years are measured in order to recognise the existence of any indication suggesting the possible reduction or non-existence of the loss. The impairment of an asset is reversed when a change occurs in the valuations used for calculating the recoverable amount. The carrying amount resulting from the reversal of the impairment loss must not exceed the carrying amount that would have been determined (net of amortisation) if the impairment loss on the asset had never been recorded.

(l) Taxes

Taxes for the year include current taxes and deferred taxes. Income taxes are recognised in profit or loss, except those related to transactions recognised directly in equity that are accounted for in it.

Current taxes represent the estimate of the amount of the income taxes due, calculated on the taxable profit for the year, determined by applying the tax rates in force or essentially in force at the end of the reporting period and any adjustment to the amount related to the previous years.

Deferred taxes are allocated in compliance with the equity method, calculating the temporary differences between the carrying amounts of assets and liabilities recorded in the separate financial statements and the corresponding values recognised for tax purposes. Deferred taxes are not allocated for the following temporary differences: initial recognition of goodwill, initial recognition of assets or liabilities in a transaction other than a business combination that does not affect the accounting profit or the taxable profit, as well as in the case of differences relating to investments in subsidiaries and companies subject to joint control for which it is possible to control the cancellation time and it is likely that in the foreseeable future the temporary difference will not be reversed. Deferred tax assets and liabilities are measured using the tax rates that are expected to be applicable in the year in which the asset or the liability to which they refer will be realised or discharged, respectively, on the basis of tax rates established by the measures in force or essentially in force at the reporting date.

Deferred tax assets are recognised to the extent that a future taxable profit against which these assets can be used may be available. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be achieved.

Additional income taxes resulting from the distribution of dividends are accounted for when the liability for the dividend payment is recognised. There are no reserves that will be taxed when distributed.

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(m) Provisions

The Company recognises a provision when it has assumed a (legal or constructive) obligation, as a result of a past event and the amount can be estimated, and it is also likely that the utilisation of resources that can produce economic benefits will be necessary to fulfil the obligation. The amount of the provision is represented by the present value of expected estimated cash flows discounted at a pre-tax rate that reflects current market evaluations of the present value of money and the risks specific to the liability.

The Company recognises a provision for restructuring when the detailed and formal programme for restructuring has been approved and the restructuring has either started or publicly announced. No provisions have been set aside for future operating costs.

(n) Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as a cost in profit or loss in the year in which they are incurred. Contributions paid in advance are recognised under Assets to the extent that the advance payment will result in a reduction of future payments or a refund.

Defined benefit plans

The Company's net liability arising from defined benefit plans is calculated separately for each plan by estimating the amount of the future benefit that the employees have accrued in exchange for their services carried out in the current year and in prior years; this benefit is discounted and the fair value of plan assets are deducted from the liabilities.

The calculation is carried out by a third-party advisor using the projected unit credit method. If the calculation generates a benefit for the Company, the amount of the asset recognised is limited to the present value of the economic benefits available in the form of repayments from the plan or of reductions in future contributions of the plan. In order to determine the present value of financial benefits, minimum funding requirements that apply to any plan of the Company are considered.

Actuarial gains and losses, returns on plan assets (excluding interest) and the effect of the ceiling of the asset (excluding any interest) that arise as a result of revaluations of the net liability for defined benefit plans are immediately recognised in other comprehensive income (expense). Net interests for the year on the net liability/(asset) for defined benefits are calculated by applying to the net liability/(asset) the discount rate used for discounting the defined-benefit obligation, calculated at the beginning of the year, considering any changes in the net liability/(asset) for defined benefits occurred during the year following the payment of contributions and benefits. Net interest and other costs relating to defined benefit plans are recognised in the profit or loss for the year.

When changes are made to the benefits of a plan or when the plan is curtailed, the portion of the economic benefit related to past services or the profit or loss deriving from the curtailment of the plan are recognised in profit or loss for the year when the adjustment or the reduction occurs.

The post-employment benefits due to the employees pursuant to Article 2120 of the Italian Civil Code fall within defined benefit pension plans, plans based on the working life of employees and on the remuneration received by the employee during a previously established service period.

In particular, the liability for post-employment benefits is recorded in the separate financial statements based on its actuarial value, as it qualifies as an employee benefit payable under a defined benefit plan. Recognition in separate financial statements of the defined benefit plans requires estimating with actuarial techniques the amount of employee benefits accrued in exchange for the work carried out in the current and prior years and discounting these benefits in order to determine the present value of the Company's commitments.

Italian law no. 296 of 27 December 2006 (2007 Finance Act) introduced new rules for post-employment benefits accruing from 1 January 2007.

Following the supplementary pension reform:

- the portions of post-employment benefits accrued up until 31 December 2006 remain at the company;

- the portions of post-employment benefits accruing since 1 January 2007 must, at the employee's option, according to explicit or tacit acceptance:

a) be allocated to supplementary pension plans;

b) be held by the company, which will transfer the portions of post-employment benefits to the treasury fund managed by INPS (the Italian Social Security Institution).

In both cases, the portions of post-employment benefits accrued after 1 January 2007 (or on the date the choice is made in the case of allocation to supplementary pension plans) are considered as a defined contribution plan.

The 2007 Finance Act did not involve any amendment in the accrued post-employment benefits as at 31 December 2006, which therefore fall within the defined benefit pension plans. Moreover, as a result of the new regulations introduced by the 2007 Finance Act, the post-employment benefits "accrued" before 1 January 2007 (or on the date the choice is made in the case of allocation to supplementary pension plans) undergo a significant change in calculation since the actuarial assumptions previously linked to salary increases no longer exist. More specifically, the liability related to the "accrued post-employment benefits" is measured using actuarial techniques as at 1 January 2007 (or on the date the choice is made in the case of allocation to supplementary pension plans) without applying the pro-rata (years of service already worked/total years of service), in that the employee benefits up until 31 December 2006 (or on the date the choice is made in the case of allocation to supplementary pension plans) can be considered almost entirely accrued (with the sole exception of revaluation). It follows that, for the purposes of this calculation, "current service costs" related to future employee work must be considered null and void in that they are represented by payments of contributions to supplementary pension funds or to the INPS treasury fund.

Current benefits

Current employee benefits are recognised as a cost on an undiscounted basis when the service giving rise to such benefits is supplied.

The Company recognises a liability for the amount expected to be paid in the form of profit sharing and incentive schemes when it has an actual, legal or constructive obligation to make such payments as a result of past events and the obligation can be reliably estimated.

Non-current employee benefits

The Company's net liability as a result of non-current employee benefits corresponds to the amount of the future benefit that the employees have earned for work done in the current year and in previous years. This benefit is discounted. Revaluations are recognised in profit or loss for the year when they emerge.

Termination benefits

Termination benefits are recognised as an expense when the Company has committed without possibility of withdrawal to provide such benefits, or when the Company recognises restructuring costs, whichever is earlier. Benefits that are entirely payable more than twelve months after the end of the financial year are discounted.

Share-Based Payments

The fair value of the amount payable to employees with regard to the share revaluation rights, settled in cash, is recognised as a cost with a corresponding increase in liabilities over the period during which employees become entitled to the unconditional right to receive the payment. The liability is measured at the end of each reporting period and at the settlement date on the basis of the fair value of the rights of share revaluation. Any changes in the fair value of the liability are recognised in profit or loss as personnel costs.

The fair value of the amount payable to employees with regard to the share revaluation rights, settled in shares, is recognised as a cost with a corresponding increase in equity over the period during which employees become entitled to the unconditional right to receive the shares. Any changes in fair value after the date of assignment do not affect the initial valuation. At the end of each financial year, the estimate of the number of rights that will accrue at maturity ("non-market based" component) is updated.

(o) Revenue

The Company operates primarily in the provision of services relating to the supply of contract workers, so a single performance obligation can be identified and it is deemed that the customer simultaneously receives and consumes the benefits of the services provided by the Company. The measurement of the degree of progress in fulfilling the contract obligation is related to the physical presence of the worker at the customer's premises and the service provided is invoiced on a monthly basis. In the determination of the contract consideration, there are no significant variable amounts, significant advance or deferred payment conditions with respect to sector practices or amounts paid to customers that are not considered a reduction of the contract consideration.

(p) Contributions

Capital contributions and grants related to income are recognised when there is a reasonable certainty that the Company will meet the conditions for obtaining the grants and that the grants will be received. Capital contributions are recorded in the statement of financial position as deferred revenue under "Other payables" and systematically recognised in profit or loss against depreciation of the assets for which the grant was received. Grants related to income are recognised in profit or loss under the item "Other income".

(q) Financial income and expense

Financial income includes interest income on invested cash, dividends, income from the sale of available-for-sale financial assets, changes in fair value of financial assets measured through profit or loss, exchange rate gains and gains on hedging instruments through profit or loss. Interest income is recognised in profit or loss on an accruals basis using the effective interest method. Dividends are recognised when the Company's right to receive payment is established.

Financial expense includes interest expense on loans and finance leases, exchange rate losses, changes in fair value of financial assets measured at fair value through profit or loss, impairment losses on financial assets and losses on hedging instruments recognised in profit or loss. Costs related to loans and finance leases are recognised in profit or loss using the effective interest method.

(r) New standards published but not yet adopted

The new standards for years beginning after 1 January 2020 and for which early application is permitted are indicated below. The Company has, however, decided not to adopt them in advance for the preparation of these financial statements.

- Onerous contracts – Costs for performance of a contract (amendments to IAS 37);
- Interest Rate Benchmark Reform – Phase 2

The following new standards or amendments to the standards are not expected to have significant effects on the Company's financial statements.

- Property, plant and equipment: income before use as intended by management (amendments to IAS 16).
- References to the Conceptual Framework in IFRS (amendments to IFRS 3).
- Classification of liabilities as current or non-current (amendments to IAS 1).
- IFRS 17 Insurance contracts and subsequent amendments.

(s) Financial risk management

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

- credit risk;

- liquidity risk;
- interest rate risk.

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

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

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

(i) Credit risk

The credit risk is the risk that a customer or counterparty to a financial instrument will cause a financial loss by failing to fulfil an obligation, and mainly arises from the Company's trade receivables.

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

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

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

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

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

Splitting the macro items that determine the value of the trade receivable offers a different degree of legal protection of the trade receivable. In fact, in case of customer bankruptcy, only the portion of receivable representing the remuneration of the contract worker is secured during repayment.

For the measurement, please see section *(i) Impairment losses (i.1) Financial assets.*

(ii) Liquidity risk

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

The Company monitors the economic and financial performance of each branch, thus facilitating the monitoring of liquidity requirements and optimising the return on investment. Generally, the Company makes sure that there are cash and cash equivalents to cover expected operating costs for a period of 60 days, including those relating to liabilities represented by "Contract Worker Benefits" and to related contributory liabilities.

Moreover, the Company has had the following credit lines over the years:

Financial year 2020

- EUR 15 million of cash revolving credit lines backed by collateral, at an average interest rate equal to the six-month Euribor plus 1.40%, subject to compliance with an economic and financial covenant as described below;

- EUR 92 million of credit lines that can be used against presentation of short-term trade receivables, generally at a variable rate linked to the Euribor.
- EUR 15 million in medium/long-term credit lines to be used to deal with any epidemiological emergency situation related to Covid-19.

Financial year 2019

- EUR 15 million of cash revolving credit lines backed by collateral, at an average interest rate equal to the six-month Euribor plus 1.65%, subject to compliance with an economic and financial covenant as described below;
- EUR 92 million of credit lines that can be used against presentation of short-term trade receivables, generally at a variable rate linked to the Euribor.

As described below, the Company is subject to compliance with an economic and financial covenant included in the loan agreement and calculated at the level of the parent's consolidated financial statements.

The New Loan at 31 December 2020, provides for certain non-performance events involving the right for the lenders to terminate the Loan Contract, or to withdraw therefrom and declare the Company's benefit of postponed payment to be forfeited, as the case may be.

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

(In thousands of EUR)

Beneficiary	***Type***	**2020**	**2019**	**Change**
A.N.P.A.L.	Authorisation pursuant to Italian Legislative Decree no. 276	27,768	29,277	(1,509)
Third Parties	Sureties for participating in tenders	567	168	399
Third Parties	Sureties for leases	708	698	10
Third Parties	Other	0	51	(51)
Total		**29,043**	**30,194**	**(1,151)**

The guarantees given in favour of the A.N.P.A.L. (Italian National Agency for Active Labour Market Policies) refer to the legal requirement to issue appropriate guarantees for the amount due to workers employed on temporary employment contracts.

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

(iii) Interest rate risk

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

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

(t) Segment Reporting

For the purposes of IFRS 8 "Operating Segments", the Company's business has only one operating segment. For a more detailed analysis of the outlook and the operating indicators, please refer to the directors' report.

(u) Acquisitions of subsidiaries and non-controlling interests

The original goodwill of EUR 44,572 thousand generated as from 1 July 2007 refers mainly to the skills and technical knowledge of the personnel of Openjob S.p.A. (with particular reference to Openjob S.p.A., In Time S.p.A. and Quandoccorre S.p.A.) acquired in June 2007 by WM S.r.l., which was subsequently the subject of a reverse merger into Openjob S.p.A.

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

Following the acquisition and subsequent merger by incorporation of Metis S.p.A. on 31 December 2011, a merger deficit was generated, allocated entirely to goodwill, equal to EUR 27,164 thousand.

3. Property, plant and equipment and right-of-use for leases

The following tables show the changes occurred in this item.

(In thousands of EUR)	Land and buildings	Plant and equipment	Other items of property, plant and equipment	Other assets	Leasehold improvements	Total
Cost:						
Balances as at 1 January 2020	**1,682**	**958**	**3,789**	**109**	**182**	**6,720**
Increases	0	16	501	0	0	517
Decreases	0	0	(54)	0	0	(54)
Balances as at 31 December 2020	**1,682**	**974**	**4,236**	**109**	**182**	**7,183**
Amortisation and impairment losses:						
Balances as at 1 January 2020	**788**	**692**	**2,750**	**109**	**182**	**4,521**
Increases	55	70	287	0	0	412
Decreases	0	0	(36)	0	0	(36)
Balances as at 31 December 2020	**843**	**762**	**3,001**	**109**	**182**	**4,897**
Carrying amounts:						
As at 1 January 2020	**894**	**266**	**1,039**	**0**	**0**	**2,199**
As at 31 December 2020	**839**	**212**	**1,235**	**0**	**0**	**2,286**

(In thousands of EUR)	Land and buildings	Plant and equipment	Other items of property, plant and equipment	Other assets	Leasehold improvements	Total
Cost:						
Balances as at 1 January 2019	**1,862**	**910**	**3,944**	**109**	**182**	**7,007**
Increases	0	64	541	0	0	605
Decreases	0	(2)	(527)	0	0	(529)
Reclassification	(180)	0	0	0	0	(180)
Assets held for sale	0	(14)	(169)	0	0	(183)
Balances as at 31 December 2019	**1,682**	**958**	**3,789**	**109**	**182**	**6,720**
Amortisation and impairment losses:						
Balances as at 1 January 2019	**805**	**615**	**2,993**	**109**	**182**	**4,704**
Increases	55	82	282	0	0	419
Decreases	0	(1)	(493)	0	0	(494)
Reclassification	(72)	0	0	0	0	(72)
Assets held for sale	0	(4)	(32)	0	0	(36)
Balances as at 31 December 2019	**788**	**692**	**2,750**	**109**	**182**	**4,521**
Carrying amounts:						
As at 1 January 2019	**1,057**	**295**	**951**	**0**	**0**	**2,303**
As at 31 December 2019	**894**	**266**	**1,039**	**0**	**0**	**2,199**

Land and buildings

The item includes buildings in the province of Udine, Brescia and in Rodengo Saiano (BS). The Aprilia building, already held by means of specific finance lease agreement, was reclassified under the item “Right-of-use for leases” in 2019. At the end of the lease agreement, the Company will be able to purchase the building at a previously established redemption price.

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

Plant and equipment

The Company owns some non-current assets mainly related to equipment, plant and furniture at the branches.

Other items of property, plant and equipment

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

The following table shows the changes in the item "Right-of-use for leases":

(In thousands of EUR)	Motor vehicles	Property	Other fixed assets	Total
Cost:				
Balances as at 1 January 2020	**2,939**	**10,861**	**66**	**13,866**
Increases	979	2,464	15	3,458
Decreases	(472)	(88)	(15)	(575)
Balances as at 31 December 2020	**3,446**	**13,237**	**66**	**16,749**
Amortisation and impairment losses:				
Balances as at 1 January 2020	**836**	**2,383**	**25**	**3,244**
Increases	1,044	2,359	41	3,444
Decreases	(381)	(46)	(15)	(442)
Balances as at 31 December 2020	**1,499**	**4,696**	**51**	6,246
Carrying amounts:				
As at 1 January 2020	**2,103**	**8,478**	**41**	**10,622**
As at 31 December 2020	**1,947**	**8,541**	**15**	**10,503**

(In thousands of EUR)	Motor vehicles	Property	Other fixed assets	Total
Cost:				
Balances as at 1 January 2019	**1,573**	**10,056**	**66**	**11,695**
Increases	1,733	1,853	15	3,601
Decreases	(199)	(109)	(15)	(323)

(In thousands of EUR)	Motor vehicles	Property	Other fixed assets	Total
Reclassification	0	180	0	180
Assets held for sale	(168)	(1,119)	0	(1,287)
Balances as at 31 December 2019	**2,939**	**10,861**	**66**	**13,866**
Amortisation and impairment losses:				
Balances as at 1 January 2019	**0**	**0**	**0**	**0**
Increases	1,081	2,555	40	3,676
Decreases	(190)	(77)	(15)	(282)
Reclassification	0	72	0	72
Assets held for sale	(55)	(167)	0	(222)
Balances as at 31 December 2019	**836**	**2,383**	**25**	**3,244**
Carrying amounts:				
As at 1 January 2019	**1,573**	**10,056**	**66**	**11,695**
As at 31 December 2019	**2,103**	**8,478**	**41**	**10,622**

Motor vehicles

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

Property

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

Other non-current assets

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

4. Intangible assets and goodwill

The following tables show the changes occurred in this item.

(In thousands of EUR)	Goodwill	Customer relations	Software	Assets under development and payments on account	Total
Cost:					
Balances as at 1 January 2020	**71,736**	**8,152**	**2,388**	**123**	**82,399**
Increases	0	0	33	0	33
Decreases	0	0	0	0	0
Reclassification	0	0	113	(123)	(10)

(In thousands of EUR)	Goodwill	Customer relations	Software	Assets under development and payments on account	Total
Balances as at 31 December 2020	**71,736**	**8,152**	**2,534**	**0**	**82,422**
Amortisation and impairment losses:					
Balances as at 1 January 2020	**0**	**8,107**	**2,032**	**0**	**10,139**
Increases	0	38	227	0	265
Decreases	0	0	0	0	0
Reclassification	0	0	0	0	0
Balances as at 31 December 2020	**0**	**8,145**	**2,259**	**0**	**10,404**
Carrying amounts:					
As at 1 January 2020	**71,736**	**45**	**356**	**123**	**72,260**
As at 31 December 2020	**71,736**	**7**	**275**	**0**	**72,018**

(In thousands of EUR)	Goodwill	Customer relations	Software	Assets under development and payments on account	Total
Cost:					
Balances as at 1 January 2019	**71,736**	**8,152**	**2,468**	**55**	**82,411**
Increases	0	0	0	68	68
Decreases	0	0	0	0	0
Reclassification	0	0	0	0	0
Assets held for sale	0	0	(80)	0	(80)
Balances as at 31 December 2019	**71,736**	**8,152**	**2,388**	**123**	**82,399**
Amortisation and impairment losses:					
Balances as at 1 January 2019	**0**	**8,063**	**1,806**	**0**	**9,869**
Increases	0	44	279	0	323
Decreases	0	0	0	0	0
Assets held for sale	0	0	(53)	0	(53)
Balances as at 31 December 2019	**0**	**8,107**	**2,032**	**0**	**10,139**
Carrying amounts:					
As at 1 January 2019	**71,736**	**89**	**662**	**55**	**72,542**
As at 31 December 2019	**71,736**	**45**	**356**	**123**	**72,260**

Goodwill

At the end of each year, the Group tests goodwill for impairment. The impairment test on goodwill is carried out on the basis of the value in use through calculations based on projected cash flows taken from the approved five-year business plan.

The impairment test as at 31 December 2020 was performed considering the cash generating unit consisting of all the operating assets and liabilities of the Group as a reference; the recoverable amount of the cash generating unit was tested by calculating the value in use, i.e. the present value of expected cash flows (discounted cash flow) using a rate that reflects the specific risks at the measurement date (WACC).

The measurement was carried out on the basis of the 2021-2025 business plan, which was adjusted by cancelling out the expected growth relating to the opening of new branches, and directly based on that approved by the Company on 4 February 2021, prepared by management on the basis of the Group's historical economic and financial performance, and expected future trends.

In view of the Group's strategy, the expected trend of the reference market and the overall macroeconomic situation, projected cash flows were estimated on the basis of the following assumptions:

- Revenue from contract work: revenue for the Company is expected to increase, on a like-for-like basis, by 9.9% in 2021 and then a drop lightly sfrom 5.2% to 3.3% from 2022 to 2025;
- Revenue from other HR services including Personnel Recruitment and Selection: growth of approximately 5% over the years of the plan.

To calculate the terminal value, a prudent assumption was adopted of a steady state scenario (g-rate equal to zero), in which, given a zero growth, the obtainable cash flow on a like-for-like basis and from the year following the year related to the analytical forecasts, was estimated based on the following main assumptions:

- EBITDA, normal average equal to the last year of analytical forecast;
- maintenance capital expenditure, equal to approximately EUR 1 million;
- maintenance investments in right-of-use assets, equal to EUR 4.5 million;
- constant working capital;
- constant provisions.

These projections reflect the current conditions of all the operating assets and liabilities of the Group being measured and the values used are consistent with the historical performance of the Group and with expectations of management in relation to the expected trends in the market of reference.

In particular, in relation to the elements of uncertainty deriving from the Covid-19 pandemic, and the related potential effects on the macroeconomic scenario and forecasts underlying the impairment test, it should be noted that the 2021-2025 business plan takes into account the expected effects on cash flow during period of the impairment test are around 20% lower than the previous year valuation. Moreover, the terminal value was determined on the basis of the last year of the business plan, according to the methods indicated above, and is considered conservative with respect to the business development forecasts in the period beyond 2025, once the effects related to the pandemic have been overcome; this results in the cash flow base for the terminal value being around 16% lower than in the previous year valuation.

Projected cash flows were discounted taking into account a cost of unlevered risk capital, calculated on the basis of the Capital Asset Pricing Model (CAPM), of 10.5% (previous year equal to 10.5%) gross of the related tax effect. This rate reflects the current market evaluation of the time value of money for the period in question and the specific risks of the sector and country, Italy, where the Group operates. The WACC as at 31 December 2020 was estimated on the basis of the following assumptions:

– the risk-free rate used (3%) is equal to the sum of the real interest rate (1%) and expected inflation rate in the long term (2%);

– the estimated beta coefficient (unlevered) was 1.1 on the basis of the characteristics of the sector concerned and of the betas recognised with reference to a sample of listed companies belonging to the sector concerned;

– the equity risk premium used is 5.5%;

– the country risk premium was assumed to be equal, by approximation, to the difference between the yield on Italian and German non-curret government bonds registered at the end of 2020 (equal to 2.0%).

The present value of the tax shield of the debt - i.e. of the tax benefits related to the deductibility of financial expense - was added to the present value of expected cash flows.

The value in use as at 31 December 2020 calculated in this way was greater than the carrying amount of the cash generating unit. Therefore, no impairment losses were recognised as at 31 December 2020, as in previous years.

The carrying amount and the recoverable amount of the CGU, as recognised at the end of the last three years, is shown hereunder:

(In thousands of EUR)

Years	Carrying amount of the group	Recoverable amount	Amount in excess, recoverable with respect to the recoverable amount
2018	121,816	156,348	34,532
2019	134,420	166,081	31,661
2020	122,794	137,321	14,527

Due to their nature, the forecasts used for impairment testing are subject to unforeseen elements that could still affect them, such as GDP not increasing as expected, changes in interest rates and inflation rates, changes in revenue, margins and collection terms from customers because of the macroeconomic trend. Such unforeseen elements could therefore result in having to amend the above-described impairment test. It is noted in this regard that the sensitivity analysis as at 31 December 2020 shows that the value in use is equal to the carrying amount of the Cash Generating Unit (gross of the lease liabilities) in the event of an increase in the discount rate of approximately 1.1 percentage points, all the other conditions being equal; similarly, in the case of a reduction in non-discounted cash flows by approximately 10.3% throughout the plan period and for the flow on which the determination of the terminal value is based, the value in use would equal the carrying amount of the Cash Generating Unit.

It should also be noted that appraisals drawn up by independent experts were used in the preparation of the impairment test as at 31 December 2020 approved by the Board of Directors of the Company on 16 March 2021. Finally, it should be noted that as at 31 December 2020 the Company, whose shares are traded on the STAR segment of the online stock exchange (MTA) managed by Borsa Italiana S.p.A., capitalised approximately EUR 91,966 thousand.

Customer relations

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

Software

The item Software is related to the operating and management programs acquired by the Company. The project to develop the Databook software, dedicated to supporting operational processes and exchanges of information regarding the activities of the Employment Agency, was amortised as from 2017.

Assets under development

There are no assets under development or payments on account as at 31 December 2020.

5. Equity investments in subsidiaries

The changes during the year were as follows:

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(In thousands of EUR)	Seltis Hub S.r.l.	Openjob Consulting S.r.l.	Hc S.r.l. Formerl y	Meritocracy S.r.l.	HC S.r.l.	Family Care S.r.l.	Jobdis abili S.r.l.	Lyve S.r.l.	Total
Balances as at 1 January 2019	**598**	**329**	**397**	**1,350**	**700**	**-**	**-**	**-**	**3,374**
Acquisitions	-	-	-	-	-	1,000	-	-	1,000
Value increases	-	-	240	400	-	-	-	-	640
Value decreases	-	-	-	(750)	-	-	-	-	(750)
Balance as at 31 December 2019	**598**	**329**	**637**	**1,000**	**700**	**1,000**	**-**	**-**	**4,264**
Acquisitions	**-**	**-**	**-**	**-**	**-**	**-**	700	1,090	1,790
Value increases	-	-	200	-	-	700	-	-	900
Reclassifications	1,000	-	700	(1,000)	(700)	0	0	0	0
Value decreases	-	-	(1,500)	-	-	-	-	-	(1,500)
Balance as at 31 December 2020	**1,598**	**329**	**37**	**-**	**-**	**1,700**	**700**	**1,090**	**5,454**

A comparison between the carrying amount of equity investments and the respective equity is shown below.

(In thousands of EUR)	Share capital	Equity	Stake	Value pro-rata (A)	Carrying amount (B)	Differences (A-B)
Openjob Consulting S.r.l.	100	1,566	100%	1,566	329	1,237
Seltis Hub S.r.l.	110	1,157	100%	1,157	1,598	(441)
HC S.r.l.	41	(23)	92.86%	(21)	37	(58)
Family Care S.r.l.	1,100	626	100%	626	1,700	(1,074)
Jobdisabili S.r.l.	239	431	100%	431	700	(269)
Lyve S.r.l.	452	1,382	50.66%	700	1,090	(390)
Total	**2,042**	**5,139**	**-**	**4,459**	**5,454**	**(995)**

Openjob Consulting S.r.l. mainly manages financed training activities, Seltis Hub S.r.l. handles the recruitment and selection of personnel on behalf of third parties, HC S.r.l. is an Educational Company that implements projects focusing on the development and motivation of human resources in organisations.

Since 1 January 2020, the company "Family Care S.r.l. –Employment agency" has been providing family assistants to assist the elderly and non-self-sufficient people. The negative difference on the subsidiary is attributable to the loss recorded net of capital contributions and grants.

Jobdisabili S.r.l. is that company that owns the trademark "Jobmetoo", an online platform specialised in the recruitment and selection of personnel with disabilities, a meeting place between those belonging to protected categories and the world of work and businesses.

Lyve S.r.l. is a corporate training company, an innovation laboratory that integrates skills in the areas of training, digital technologies, marketing and communication.

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6. Non-current financial assets

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

7. Deferred tax assets and liabilities

Deferred tax assets and liabilities refer to the following items:

(In thousands of EUR)	Assets		Liabilities		Net	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Property, plant and equipment	0	0	165	171	(165)	(171)
Employee benefits	14	9	0	0	14	9
Provisions	316	323	0	0	316	323
Loss allowance	1,178	1,013	0	0	1,178	1,013
Costs with deferred deductibility	369	421	0	0	369	421
Goodwill realignment	20,158	0	0	0	20,158	0
Total	**22,035**	**1,766**	**165**	**171**	**21,870**	**1,595**

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

There are no tax losses that can be carried forward for which deferred tax assets can be recognised.

Tax assets and liabilities are measured using the tax rates that are expected to be applicable in the period in which the asset or the liability to which they refer will be realised or discharged, respectively, on the basis of tax rates established by measures in force.

Starting from the 2020, deferred tax assets were recognised relating to the realignment of the tax value of goodwill, in accordance with the provisions of article 110.8/8-bis of Law decree 104/2020. For further details, please refer to note 27.

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

(In thousands of EUR)	**Balance 31 December 2019**	**Changes in profit or loss**	**Balance 31 December 2020**
Property, plant and equipment	(171)	6	(165)
Employee benefits	9	5	14
Provisions	323	(7)	316
Loss allowance	1,013	165	1,178
Costs with deferred deductibility	421	(52)	369
Goodwill realignment	0	20,158	20,158
Total	**1,595**	**20,275**	**21,870**

8. Cash and cash equivalents

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

(In thousands of EUR)	**2020**	**2019**	**Change**
Bank and postal deposits	13,856	2,624	11,232
Cash in hand and cash equivalents	20	22	(2)
Assets held for sale	0	(298)	298
Total cash and cash equivalents	**13,876**	**2,348**	**11,528**

With reference to the net financial indebtedness, as required by Recommendation ESMA/2013/319 and Consob Communication No. DEM/6064293 of 28 July 2006, please refer to note 12 below.

9. Trade receivables

The item is made up as follows:

(In thousands of EUR)	**2020**	**2019**	**Change**
From third-party customers	109,214	118,606	(9,392)
From related parties	168	66	102
Loss allowance	(5,455)	(4,812)	(643)
Total trade receivables	**103,927**	**113,860**	**(9,933)**

As at 31 December 2020 and 2019, there were no trade receivables arising from factoring with recourse. Total receivables are exclusively related to Italian customers; therefore there are no receivables in currencies other than the Euro. At the reporting dates, there was no concentration of receivables from a limited number of customers.

Please refer to paragraph 31 "Related parties" for further information on the analysis of the exposure of trade receivables from related parties.

The item is recorded in the separate financial statements net of a loss allowance of EUR 5,455 thousand.

An analysis of the DSO shows that the extension days granted on average to customers appear to have slightly increased, compared with the same period of last year, from 74 to 76 days. Calculating the DSO only on the fourth quarter of 2020, i.e. trade receivables/quarterly turnover* 90 days, a DSO of 66 days is achieved, lower than the same period of 2019 (70 days).

Reference is made to note 29 (a) "Impairment losses" for further information about the analysis of trade receivables exposure at the reporting date.

10. Other assets

The item is made up as follows:

(In thousands of EUR)	**2020**	**2019**	**Change**
Assets from tax authorities for reimbursements	133	1,245	(1,112)
Assets from the INPS treasury funds for post-employment benefits	832	1,273	(441)
Prepayments	741	811	(70)
Other disputed receivables	1,095	1,095	0
Asset for domestic tax consolidation scheme	109	80	29
Assets from Forma.Temp	4,575	3,928	647
Other sundry assets	57	52	5
Total other assets	**7,542**	**8,484**	**(942)**

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

Other prepayments as at 31 December 2020 of EUR 741 thousand mainly refer to advance costs entirely recognised during the current year, relating to sponsorships, bank fees and sundry leases.

The item "Assets from Forma.Temp" of EUR 4,575 thousand refers to the reimbursement of the salary supplement (Trattamento di Integrazione Salariale - TIS) paid in advance to contract workers (as at 31 December 2019 relating to approved courses in excess of those already available in the year).

The item "Assets for domestic tax consolidation scheme" regards the Company's assets from the subsidiary Openjob Consulting S.r.l. due to participation in the tax consolidation scheme. For more information on related parties, please refer to note 31.

11. Current tax assets

As at 31 December 2020, the current income tax assets amounted to EUR 233 thousand and refer to the asset from tax authorities for IRAP of EUR 97 thousand and EUR 136 thousand for IRES from tax consolidation.

12. Bank loans and borrowings and other financial liabilities

This note illustrates the contractual conditions that regulate the Company's financial liabilities. For further information on the Company's exposure to the interest rate risk, reference is made to note 29.

(In thousands of EUR)	2020	2019	Change
Non-current liabilities:			
Line A New Loan	7,450	10,417	(2,967)
Lease liabilities	7,417	8,346	(929)
Liabilities held for sale – Lease liabilities	0	(814)	814
Derivative instruments	33	26	7
Total non-current liabilities	**14,900**	**17,975**	**(3,075)**
Current liabilities			
Line A New Loan	3,000	3,000	0
Non-current loan within 18 months	7,918	0	7,918
Non-guaranteed bank loans and borrowings	3,239	11,048	(7,809)
Liabilities held for sale – Lease liabilities	0	(262)	262
Lease liabilities	3,155	3,401	(246)
Total current liabilities	**17,312**	**17,187**	**125**
Total current and non-current liabilities	**32,212**	**35,162**	**(2,950)**

In March 2019, a non-current amortising loan of EUR 15 million was subscribed and issued, which also envisages a revolving credit line of EUR 15 million not used as at the reporting date.

During the current year, two loans for a total of EUR 10 million were subscribed and issued, to be repaid within 18 months of the date of issue.

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

(In thousands of EUR)				2020		2019	
	Curr.	**Nominal interest rate**	**Year of maturity**	**Nominal amount**	**Carrying amount**	**Nominal amount**	**Carrying amount**
Line A New Loan	EUR	Euribor*	2024	10,500	10,450	13,500	13,417
Non-current loan due within 18 months	EUR	1.1%**	2021	7,918	7,918	0	0
Non-guaranteed bank loans and borrowings	EUR	0.1%**	-	3,239	3,239	11,048	11,048
Lease liabilities	EUR	1.77%**	2021-2026	11,005	10,572	11,104	10,671
Liabilities held for sale – Lease liabilities	EUR	2.01%**	2020-2025	0	0	1,120	1,076
Total interest-bearing liabilities				**32,662**	**32,179**	**36,772**	**36,212**

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

** These are approximate average rates

*** Weighted average incremental interest rate

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

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

Calculation Dates	NFI EBITDA ≤
31 December 2020	2.25
31 December 2021	2.25
31 December 2022	2.25

NFI = Net Financial Indebtedness

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

It should be noted that as at 31 December 2020 the financial restriction had been complied with.

Branch leases contain extension options that can be exercised up to six months before the end of the binding period. If, at their respective deadlines, all extension actions are carried out, the potential cash flows that are not currently reflected in the lease liability would amount to approximately EUR 11,000 thousand.

The table below shows the net financial indebtedness of the Company as at 31 December 2020 and as at 31 December 2019, calculated in accordance with the provisions of Recommendation ESMA/2013/319 and Consob Communication no. DEM/6064293 of 28 July 2006.

	(amounts in thousands of EUR)	Financial statements as at and for the year ended 31 December		2020/2019 Change	
		2020	**2019**	**Value**	**%**
A	Cash	20	22	(2)	(9.1%)
B	Other cash and cash equivalents	13,856	2,624	11,232	428.0%
C	Securities held for trading	-	-	-	-
D	**Cash and cash equivalents (A+B+C)**	**13,876**	**2,646**	**11,230**	**424.4%**
E	Current loan assets	-	-	-	-

(amounts in thousands of EUR)		Financial statements as at and for the year ended 31 December		2020/2019 Change	
		2020	2019	Value	%
F	Current bank loans and borrowings	(11,157)	(11,048)	(109)	1.0%
G	Current portion of non-current debt	(3,000)	(3,000)	-	0.0%
H	Other current loans and borrowings	(3,155)	(3,401)	246	(7.2%)
I	**Current financial indebtedness (F+G+H)**	**(17,312)**	**(17,449)**	**137**	**(0.8%)**
J	**Net current financial indebtedness (D+E+I)**	**(3,435)**	**(14,803)**	**11,368**	**(76.8%)**
K	Non-current bank loans and borrowings	(7,450)	(10,417)	2,967	(28.5%)
L	Bonds issued	-	-	-	-
M	Other non-current liabilities	(7,450)	(8,372)	922	(11.0%)
N	**Non-current financial indebtedness (K+L+M)**	**(14,900)**	**(18,789)**	**3,889**	**(20.7%)**
O	**Net Financial Indebtedness (J+N)**	**(18,335)**	**(33,592)**	**15,257**	**(45.4%)**

Below is the reconciliation of the changes in lease liabilities, bank borrowings and other financial liabilities arising from financing activities.

	Lease liabilities	Financial liabilities, bank loans and borrowings and other liabilities
Balance as at 31 December 2019	**10,671**	**24,465**
Change in financial liabilities		
- Lease payments	(3,589)	-
- Interest expense	175	-
- New leases and reclassifications	3,315	-
- New loan disbursement	-	10,000
- Repayment of loan instalments	-	(5,082)
- Other loans and borrowings and interest	-	(7,776)
Total change in financial liabilities	**(99)**	**(2,858)**
Balance as at 31 December 2020	**10,572**	**21,607**

13. Employee benefits

(a) current

The balance of the item current employee benefits includes:

(In thousands of EUR)	**2020**	**2019**	**Change**
Salaries due to contract workers	28,389	28,331	58
Remuneration due to contract workers	9,613	8,124	1,489
Post-employment benefits due to contract workers	185	207	(22)
Remuneration due to employees	2,809	3,408	(599)
Liabilities held for sale	0	(304)	304
Total payables for employee benefits	**40,996**	**39,766**	**1,230**

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

The liabilities as at 31 December 2020 increased compared to 31 December 2019, mainly in relation to the increase in contract workers hired on permanent contracts.

(b) non-current

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

(In thousands of EUR)	**2020**	**2019**	**Change**
Payables for employee benefits as at 1 January	600	622	(22)
Cost recognised in profit or loss	8	15	(7)
Payments during the year	(17)	(39)	22
Actuarial measurement	20	58	(38)
Liabilities held for sale/reclassification	28	(56)	84
Total payables for employee benefits	**639**	**600**	**39**

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

(In thousands of EUR)	**2020**	**2019**	**Change**
Current service cost	0	0	0
Interest expense on the obligation	8	15	(7)
Total	**8**	**15**	**(7)**

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

	2020	2019
Projected future salary increases (average amount)	1.0%	1.0%
Projected staff turnover	9%	9%
Discount rate	0.53%	1.35%
Average inflation rate	0.80%	1.5%

14. Trade payables

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

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

The item is broken down as follows:

(In thousands of EUR)	2020	2019	Change
Trade payables to third parties	9,179	7,563	1,616
Total trade payables	**9,179**	**7,563**	**1,616**

At the reporting date, there were no payables due to related parties.

15. Other liabilities

The item is broken down as follows:

(In thousands of EUR)	2020	2019	Change
Social security charges payable	18,142	18,766	(624)
Tax liabilities	9,871	11,004	(1,133)
Liabilitiess to Forma.Temp	1,092	2,225	(1,133)
Liabilities to subsidiaries for tax consolidation scheme	442	177	265
Other liabilities	922	220	702
Total other liabilities	**30,469**	**32,392**	**(1,923)**

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

Liabilities to subsidiaries relate to the EUR 317 thousand due to Family Care S.r.l., EUR 121 thousand due to HC S.r.l. and EUR 5 thousand due to Seltis S.r.l. for the domestic tax consolidation scheme.

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

The item Tax liabilities is broken down as follows:

(In thousands of EUR)	**2020**	**2019**	**Change**
Withholding taxes - Employees	9,591	10,402	(811)
VAT and other minor liabilities	280	602	(322)
Total tax payables	**9,871**	**11,004**	**(1,133)**

16. Current and non-current tax liabilities

Current tax liabilities as at 31 December 2020 amounted to EUR 717 thousand and refer to the first instalment of the substitute tax pursuant to article 110.8/8-bis of Law decree no. 104/2020. For further details, please refer to note 27.

Non-current tax liabilities as at 31 December 2020 amounted to EUR 1,435 thousand and relate to the additional two instalments of the substitute tax pursuant to article 110.8/8-bis Law decree no. 104/2020, , to be paid in 2022 and 2023. For further details, please refer to note 27.

As at 31 December 2019 there were no liabilities due to the tax authorities for current taxes.

17. Provisions

Changes in this item are broken down as follows:

(In thousands of EUR)	**Balance as at 1/1/2020**	**Increases**	**Uses**	**Balance as at 31/12/2020**
Disputes	1,744	75	(103)	1,716

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

18. Equity

(a) Share capital

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(In thousands of shares)	**2020**	**2019**
Ordinary shares		
Issued as at 1 January	13,712	13,712
Issued as at 31 December	13,712	13,712

As at 31 December 2020, the approved share capital consisted of 13,712,000 ordinary shares, the ownership percentages of which are specified in the section "*Group structure*", to which explicit reference is made.

The Shareholders' Meeting, convened on 24 April 2018, authorised the Board of Directors to purchase and dispose of treasury shares pursuant to the combined provisions of Articles 2357 and 2357-ter of the Italian Civil Code, as well as Article 132 of Legislative decree no. 58 of 24 February 1998. The Board of Directors' meeting called for 15 May 2018 resolved to launch the buyback programme from 16 May 2018.

Subsequently, by resolution approved by the Shareholders' Meeting on 21 April 2020, the buy-back programme was restarted by the Board of Directors of Openjobmetis S.p.A., with resolution on the same date, starting from 22 April 2020 up to a maximum number of shares such as not to exceed 5% of the *pro-tempore* share capital.

Note that, on 31 December 2020, Openjobmetis S.p.A. directly held 685,600 treasury shares.

The Company did not issue any preference shares.

The share capital has been fully paid up.

(b) Share premium reserve

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

(c) Other Reserves

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

As at 31 December 2020, in accordance with IAS 19, the net actuarial loss of EUR 24 thousand - resulting from the difference between the amount of expected benefits calculated for the period of reference and the actual benefit resulting from the new measurement assumptions at the end of the period - was accounted for in equity.

Moreover, the fair value as at 31 December 2020 of the derivative contract put in place to hedge the risk of changes in the interest rate risk granted to the New Loan totalling EUR 33 thousand, was accounted for as a reduction of equity. The effective portion of the change in the fair value of hedging instruments is accumulated in the cash flow hedge reserve as a separate component of equity.

Other reserves are net of the separate negative reserve for the purchase of treasury shares held for EUR 5,645 thousand as at 31 December 2020.

The following table summarises the availability and usability of reserves:

(In thousands of EUR)	**Amount**	**Usability**	**Available portion**	**Use for coverage of losses over the past three years**
Share capital	13,712		--	--
Legal reserve	2,812	B	2,812	--
Share premium reserve	31,545	A, B, C	31,545	--
Other reserves	47,771	A, B, C	47,771	--
Total	**95,840**			--
Available portion			**78,867**	

Key to symbols:

A = Share capital increase

B = Loss coverage

C = To be distributed to shareholders

It should be noted that a portion of distributable reserves of EUR 69,583 thousand was subject to the tax suspension regime pursuant to Law Decree 104/2020, art. 110, paragraphs 8 and 8 bis.

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19. Revenue

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

(In thousands of EUR)	**2020**	**2019**	**Change**
Revenue from contract work	493,840	555,363	(61,523)
Revenue from personnel recruitment and selection	128	369	(241)
Revenue from other activities	294	609	(315)
Expenses charged to Group companies	864	370	494
Total Revenue	**495,126**	**556,711**	**(61,585)**

The item "Revenue from other activities" mainly refers to services provided to start up traineeships, revenue for active labour policies, the sale of ad hoc training and other minor income. For the item "Expenses charged to Group companies", please refer to note 31 relating to transactions with related parties.

In 2020, the parent's revenue was EUR 495,126, compared to EUR 556,711 in 2019. As previously commented, the decline is mainly due to the impacts of the Covid-19 pandemic starting in March. However, there was a marked recovery in the third and fourth quarters of 2020: the third quarter recorded +25.5% on the second and the fourth +11.1% on the third. In the second half of the year, the gap with respect to 2019 gradually narrowed: in July, August and September 2020, the decrease in revenue of the parent was moderate, at -7.1% compared to the same months in 2019, while the second quarter, the most impacted by the measures to contain the pandemic, recorded -29.8% compared to the same period of the previous year; finally, in the last quarter, revenue was slightly lower than the same period of 2019 (-3.5%), despite the complex context and the fresh wave of Covid-19 infections in the autumn months, with concurrent targeted lockdowns. It should also be noted that the Family Care S.r.l. business unit was transferred with effect from 1 January 2020.

20. Other income

The item includes:

(In thousands of EUR)	**2020**	**2019**	**Change**
Recognition of contributions from Forma.Temp and Ebiref	7,566	11,919	(4,353)
Other sundry income	1,053	1,050	3
Total other income	**8,619**	**12,969**	**(4,350)**

The contributions from Forma.Temp refer to grants received for the repayment of the costs incurred for training courses for contract workers, included in the item Costs for services.

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

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

21. Personnel expense

The item includes:

Cost of contract work

(In thousands of EUR)	2020	2019	Change
Wages and salaries of contract workers	313,839	350,580	(36,741)
Social security charges of contract workers	92,450	105,615	(13,165)
Post-employment benefits of contract workers	18,137	19,006	(869)
Forma.Temp contributions for contract workers	12,651	13,535	(884)
Other costs of contract workers	3,049	3,151	(102)
Total personnel expense	**440,126**	**491,887**	**(51,761)**

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

The cost of wages and salaries, at 31 December 2021, is shown net of the salary supplement (Trattamento di Integrazione Salariale - TIS) equal to EUR 18,467 thousand, the value of which is reimbursed by Forma.temp.

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

The change compared to the previous year was mainly due to the decrease in business volume in terms of contract worker hours sold to customers.

Employee costs

(In thousands of EUR)	2020	2019	Change
Salaries and wages of employees	17,957	19,180	(1,223)
Social security costs of employees	5,411	5,856	(445)
Post-employment benefits of employees	1,278	1,320	(42)
Remuneration to the Board of Directors and committees	1,361	1,404	(43)
Social security costs of the Board of Directors	66	66	0
Other employee costs	732	1,036	(304)
Long term incentive	(438)	130	(568)
Total personnel expense	**26,367**	**28,992**	**(2,625)**

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

The remuneration of key management personnel is indicated in note 32.

The average number of employees is set out below:

Average number of employees	2020 no.	2019 no.	Change
Managers	2	2	0
White-collars	537	568	(31)
Total	**539**	**570**	**(31)**

Long-term incentive

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

Subsequently, with a view to making a concrete contribution to the effort made by the Company, at all levels, in dealing with the impact of the Covid-19 emergency, on 15 May 2020 all beneficiaries identified for the first tranche have formalised an unconditional and irrevocable waiver of the right to exercise options accrued for a value of approximately EUR 0.44 million, recognised as a reduction in personnel expense for the period.

The estimated cost for the last tranche of the Phantom Stock Option Plan is EUR 88 thousand and corresponds to the liability measured at fair value, representing the amount to be paid to employees for whom the unconditional right will arise to receive payment in relation to the tranche granted in 2018 under the Plan and the Regulations in force. The related liability is included in employee benefits at the reporting date.

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

The parameters used in the fair value measurement at the date of assignment and valuation of the plan with share-based payment are: the price of the shares at the assignment date is equal to EUR 11.7536 and the price at the valuation date is equal to EUR 5.48, option duration of three years, expected dividend rate of 3.5%, expected exit rate of 0%, annual volatility of 30%, applying a risk-free rate curve inferred from the Interest Rate Swap rates on the market at the valuation date.

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

The option's per-unit fair value was EUR 0.2138 at the reporting date.

The shareholders' meeting of 17 April 2019 approved the adoption of a 2019-2021 Performance Shares Plan which provides for the right of directors, key management personnel and other key employees to receive, at the end of the three-year vesting period, ordinary shares of Openjobmetis S.p.A. subject to the achievement of certain Performance Objectives as described in the above Plan (to which explicit reference is made).

The Board of Directors on 25 June 2019 and on 15 May 2020 identified the beneficiaries of the first two tranches of the Plan.

The assessment of the cost assigned was estimated by considering the performance components related to the achievement of the adjusted, consolidated and cumulative three-year EBITDA targets compared to the plan targets (with 50% weight) and the Company's performance in terms of Total Shareholder Return compared to the companies that make up the FTSE Italia STAR index (with 50% weight), estimated using the Monte Carlo method, which, on the basis of suitable assumptions, made it possible to define a considerable number of alternative scenarios.

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The assigned estimated cost for the year of the Performance Shares equal to EUR 139 thousand corresponds to the change in the liability measured at fair value, representative of the value of the shares actually accrued by the beneficiaries in relation to the tranches allocated in 2019 and 2020. The related liability is included in the Equity item "other reserves" at the reporting date.

The parameters used in the fair value measurement at the dates of assignment and valuation of the plan are as follows: share price at the valuation date of EUR 7.16 for the first tranche and EUR 5.10 for the second tranche, expected dividend rate of 3.5%, discount rate of 1% for the first tranche and 0.40% for the second tranche, vesting right of the "market based" component equal to 47% for the first tranche and 55% for the second tranche , annual volatility 31% for the first tranche and 32% for the second tranche, applying a reasonable estimate on the basis of historical volatility calculated with reference to the valuation date.

The per-unit fair value of the right to receive the bonus shares at the reporting date was EUR 6.68 for the first tranche and EUR 4.76 for the second tranche .

22. Cost of raw materials and consumables

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

23. Costs for services

The item includes:

(In thousands of EUR)	**2020**	**2019**	**Change**
Costs for organising courses for contract workers	7,562	11,919	(4,357)
Costs for tax, legal, IT, business consultancy	5,076	4,907	169
Costs for marketing consultancy	2,057	1,996	61
Costs for due diligence and consultancy services	247	543	(296)
Fees to sourcers and professional advisors	2,875	2,694	181
Costs for advertising and sponsorships	1,189	1,384	(195)
Costs for utilities	793	889	(96)
Remuneration to the Board of Statutory Auditors	88	88	0
Other	2,963	3,970	(1,007)
Total costs for services	**22,850**	**28,390**	**(5,540)**

Costs for organising courses for contract workers mainly refer to costs charged by training companies, for organising training activities carried out for contract workers, in addition to additional charges. This includes the costs incurred for related parties, as described in greater detail in note 31. The costs borne by the organisational bodies mainly consist of services invoiced by independent experts. Against the precise and timely reporting of the costs incurred for the courses, Openjobmetis S.p.A. receives a specific refund from Forma.Temp and other bodies.

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

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

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

Costs for the year for *due diligence and consultancy services* as at 31 December 2020 relate mainly to non-recurring activities for possible extraordinary transactions.

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

24. Other operating expenses

The item includes:

(In thousands of EUR)	**2020**	**2019**	**Change**
Other expenses	529	643	(114)
Total other operating expenses	**529**	**643**	**(114)**

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

25. Impairment losses on trade receivables and other assets

For further details on the loss allowance, reference is made to the directors' report and to note 29 below.

26. Net financial income (expense)

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

(In thousands of EUR)	2020	2019	Change
Bank interest income	182	0	182
Interest income on otherassets	51	42	9
Dividends from subsidiaries	2,700	3,300	(600)
Total financial income	**2,933**	**3,342**	**(409)**
Interest expense on loans	(222)	(248)	26
Interest expense on current accounts	(15)	(15)	0
Other interest expense	(264)	(459)	195
Total financial expense	**(501)**	**(722)**	**221**
Total net financial income	**2,432**	**2,620**	**(188)**

Other interest expense mainly refers to the portion of costs attributable to each year deriving from application of the amortised cost method to the loan in accordance with IFRS 9, and the expense relating to the recognition of the right of use pursuant to IFRS 16, amounting to EUR 175 thousand.

27. Income taxes

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

(In thousands of EUR)	2020	2019	Change
Current taxes	2,531	3,245	(714)
Deferred tax assets on goodwill realignment	(20,158)	0	(20,158)
Substitute tax for goodwill realignment	2,152	0	2,152
Deferred tax assets	(111)	340	(451)
Deferred tax liabilities	(6)	(12)	6
Tax from previous years	1	(6)	7
Total income taxes	**(15,591)**	**3,567**	**(19,158)**

Current taxes as at 31 December 2020 totalling EUR 2,531 thousand refer to IRAP of EUR 552 thousand and to IRES of EUR 1,979 thousand.

Current taxes as at 31 December 2019 totalling EUR 3,245 thousand refer to IRAP of EUR 819 thousand and to IRES of EUR 2,426 thousand.

As at 31 December 2020, the Company benefits from the possibility of realigning the higher tax of the assets recorded in the financial statements, specifically the amount of goodwill of Euro 71,736 thousand, as required by article 110.8/8-bis of Law decree no. 104/2020. This will determine, against the payment of a substitute tax equal to 3% of the realigned value (EUR 2,152 thousand), the deduction in 18 years, starting from 2021, of the tax amortisation of the realigned amount of EUR 71,735 thousand. These deductions will generate benefits in terms of IRES and IRAP, recognised as at 31 December 2020 under deferred tax assets for EUR 20,158 thousand. The deferred tax assets recognised are fully recoverable in view of the possibility of absorption through the Company's future taxable income.

The following table shows the items that reconcile the difference between the theoretical tax burden at Italian rate and taxes actually charged to the year:

(In thousands of EUR)	**2020**	**Rate**	**2019**	**Rate**
Profit (loss) before taxes	8,945		13,953	
Theoretical income taxes (a)	2,147	24.00%	3,349	24.00%
Tax effect of permanent differences including:				
- cars	151		171	
- telephony	49		48	
- prior year income and expense	44		32	
- board and lodging	14		20	
- Other changes	328		154	
- ACE (Aiuto alla crescita economica, Aid to economic growth)	(208)		(190)	
- 10% IRAP deduction	(52)		(78)	
- Dividends/income from liquidation	(616)		(757)	
Subtotal (b)	**(290)**		**(600)**	
Income taxes recorded in the Separate Financial Statements (current and deferred) excluding IRAP and realignment effect (a + b)	1,857	20.76%	0	0%
IRAP (current and deferred, excluding realignment)	557	6.23%	0	0%
Deferred tax assets on goodwill realignment, Law Decree 104/2020	(20,158)	(225.35)%	2,749	19.7%
Substitute tax for goodwill realignment, Law Decree 104/2020	2,152	24.06%	824	5.91%
Income taxes recorded in the Separate Financial Statements (current and deferred)	**(15,592)**	**(174.31)%**	**3,573**	**25.61%**
Tax from previous years (allocation to tax reserve)	1	0.01%	(6)	(0.04)%
Total taxes	**(15,591)**	**(174.30)%**	**3,567**	**25.56%**

Income taxes benefit from the recognition of deferred tax assets resulting from the tax recognition of higher values recorded in the financial statements pursuant to article 110.8/8-bis Law decree no. 104/2020 for a total of EUR 20,158 thousand. In addition, current taxes of EUR 2,152 thousand were recognised in relation to the substitute tax on this tax realignment.

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

28. Contingent liabilities

The Company is a party to pending disputes and lawsuits. Based on the opinion of legal and tax advisors, the directors do not expect that the outcome of these ongoing actions will have a significant effect on the financial position of the Company, in addition to what was already allocated in the consolidated financial statements.

29. Financial instruments

(a) Credit risk

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

The carrying amount of the financial assets represents the Company's maximum exposure to credit risk. At the end of the reporting period, this exposure is set below:

(In thousands of EUR)	**2020**	**2019**	**Change**
Held-to-maturity investments	28	28	0
Trade receivables	103,927	113,860	-9,933
Cash and cash equivalents	13,876	2,646	11,230
Assets held for sale – cash and cash equivalents	0	(298)	298
Total	**117,831**	**116,236**	**1,595**

Trade receivables mainly refer to Italian customers.

There are no particular concentrations of trade receivables in specific sectors.

Exposure to the top ten customers' accounts for approximately 18% of total receivables as at 31 December 2020.

- <u>**Impairment losses**</u>

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

(In thousands of EUR)	**2020**	**2019**	**Change**
Falling due	90,039	93,547	(3,508)
Past due from 0 to 90 days	11,634	17,667	(6,033)
Past due from 91 to 360 days	3,371	2,819	552
Past due 360 days or more	4,338	4,639	(301)
Total trade receivables	**109,382**	**118,672**	(9,290)

The changes in the loss allowance for trade receivables during the years were as follows:

(In thousands of EUR)	**2020**	**2019**	**Change**
Balance as at 1 January	**4,812**	**5,196**	**(384)**
Impairment loss for the year	1,591	3,044	(1,453)
Uses made during the year	(948)	(3,428)	2,480
Balance as at 31 December	**5,455**	**4,812**	643

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

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

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

With reference to the potential elements of uncertainty deriving from the Covid-19 pandemic, to date there are no particular risk situations relating to the solvency of Openjobmetis customers compared to the pre-Covid period. This is demonstrated by the average collection times (DSO) which as at 31 December 2020 amounted to 76 days, in line with the figure as at 31 December 2019 (74 days).

During the year the Company did not recognise expected impairment losses on held-to-maturity investments.

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

(b) Liquidity risk

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

Non-derivative financial liabilities			**2020**			
(In thousands of EUR)	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-5 years**	**More than 5 years**
Line A New Loan	(10,450)	(10,845)	(1,586)	(1,574)	(7,685)	0
M/L loan within 18 months	(7,918)	(7,967)	(4,198)	(3,769)	0	0
Non-guaranteed bank loans and borrowings	(3,239)	(3,239)	(3,239)	0	0	0
Lease liabilities	(10,572)	(11,005)	(1,642)	(1,653)	(7,059)	(651)
Trade payables	(9,179)	(9,179)	(9,179)	0	0	0
Other liabilities	(30,469)	(30,469)	(30,469)	0	0	0
Employee benefits *	(40,996)	(40,996)	(40,996)	0	0	0
Total	**(112,823)**	**(113,700)**	**(91,309)**	**(6,996)**	**(14,744)**	**(651)**

Non-derivative financial liabilities			**2019**			
(In thousands of EUR)	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-5 years**	**More than 5 years**
Line A New Loan	(13,417)	(14,056)	(1,611)	(1,599)	(10,846)	0
Non-guaranteed bank loans and borrowings	(11,048)	(11,048)	(11,048)	0	0	0
Lease liabilities	(10,671)	(11,104)	(1,635)	(1,635)	(7,684)	(150)
Liabilities held for sale – leases	(1,076)	(1,120)	(165)	(165)	(775)	(15)
Trade payables	(7,563)	(7,563)	(7,563)	0	0	0
Other liabilities	(32,392)	(32,392)	(32,392)	0	0	0
Employee benefits *	(39,766)	(39,766)	(39,766)	0	0	0
Liabilities held for sale – employee benefits	(304)	(304)	(304)	0	0	0
Total	**(116,237)**	**(117,353)**	**(94,484)**	**(3,399)**	**(19,305)**	**(165)**

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

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

Note that for Line B – Revolving of the New Loan outstanding as at 31 December 2020, unused as at the reporting date, contractual cash flows will have a maximum duration of six months.

(c) Interest rate risk

Floating rate financial liabilities are summarised below:

(In thousands of EUR)	**2020**	**2019**	**Change**
Non-guaranteed bank loans and borrowings	3,239	11,048	(7,809)
Non-current loan within 18 months	7,918	0	7,918
Line A New Loan	10,450	13,417	(2,967)
Total financial liabilities	**21,607**	**24,465**	**(2,858)**

If the interest rates had increased by 1% at the reporting date, the equity and the profit for the year would have been negatively affected, gross of the related tax effect, by approximately EUR 100 thousand. However, the potential effect of extreme circumstances that cannot be reasonably foreseen remains excluded.

A derivative contract hedging the risk of interest rate change is in place for a portion equal to 50% of the nominal value of the amortising line for the first three years of the New Loan.

(d) Fair value

- **Fair value and carrying amount**

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

	2020		**2019**	
(In thousands of EUR)	**Carrying amount**	**Fair Value**	**Carrying amount**	**Fair Value**
Held-to-maturity investments	28	28	28	28
Trade receivables and other assets	111,469	111,469	122,343	122,343
Cash and cash equivalents	13,876	13,876	2,348	2,348
Assets held for sale – cash and cash equivalents	0	0	298	298
Lease liabilities	(10,572)	(10,572)	(10,671)	(10,671)
Liabilities held for sale – lease liabilities	0	0	(1,076)	(1,076)

	2020		2019	
(In thousands of EUR)	**Carrying amount**	**Fair Value**	**Carrying amount**	**Fair Value**
Line A New Loan	(10,450)	(10,450)	(13,417)	(13,417)
Non-current loan within 18 months	(7,918)	(7,918)	0	0
Non-guaranteed bank loans and borrowings	(3,239)	(3,239)	(11,048)	(11,048)
Trade payables and other liabilities	(39,648)	(39,648)	(39,955)	(39,955)
Employee benefits	(41,635)	(41,635)	(40,366)	(40,366)
Liabilities held for sale – employee benefits	0	0	(360)	(360)
Total	**11,911**	**11,911**	**8,124**	**8,124**

- **Methods for determining fair value**

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

- *Non-derivative financial liabilities*

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

- *Derivative financial liabilities*

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

- *Trade receivables and other assets*

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

For information concerning the interest rates used to discount the expected cash flows, where applicable, on the elements listed in the above table, mainly used for calculating the financial liabilities at amortised cost, see note 12.

- *Fair value hierarchy*

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

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

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

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

(In thousands of EUR)	**Hedging IRS**	
	31/12/2020	**31/12/2019**
Level 1	0	0
Level 2	(33)	(26)
Level 3	0	0
Total	**(33)**	**(26)**

30. Leases

The Company, for the purposes of its business, makes use of several leases, especially for car rental and building lease.

As from 1 January 2019, these leases have been accounted for in accordance with IFRS 16.

31. Related parties

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

The relationships entertained between the Company and related parties, as identified on the basis of the criteria defined in IAS 24 – Related Party Disclosures – are mainly commercial in nature.

During the year, the Company carried out transactions with some of the above-mentioned bodies as shown below. The general conditions governing these transactions were carried out in respect of and in line with normal market conditions.

During the meeting of 12 October 2015, the Board of Directors approved and subsequently updated, most recently on 3 October 2019, the related party transactions policy and procedure, in accordance with Article 2391-bis of the Italian Civil Code and with the "Related party transactions

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regulations" adopted by CONSOB with resolution no. 17221 of 12 March 2010 and subsequent amendments.

The total value of the transactions and residual balances is as follows:

Description *(in thousands of EUR)*		**Total 2020**	**Subsidiaries**	**Other related parties**	**Total related parties**	**% weight on financial statement items**
1	Revenue	495,126	1,070	0	1,070	0.2%
2	Employee costs	26,436	0	2,250	2,250	8.5%
3	Costs for services	22,850	1,146	0	1,146	5.0%
4	Financial income	2,933	2,700	0	2,700	92.1%

Description *(in thousands of EUR)*		**Total 2019**	**Subsidiaries**	**Other related parties**	**Total related parties**	**% weight on financial statement items**
1	Revenue	556,711	583	0	583	0.1%
2	Employee costs	28,992	0	2,296	2,296	7.9%
3	Costs for services	28,390	1,278	0	1,278	4.5%
4	Financial income	3,342	3,300	0	3,300	98.7%

Description *(in thousands of EUR)*		**Total 2020**	**Subsidiaries**	**Other related parties**	**Total related parties**	**% weight on financial statement items**
1	Equity investments	5,454	5,454	0	5,454	100%
2	Trade receivable	103,927	168	0	168	0.2%
3	Other asset	7,100	109	0	109	1.5%
4	Trade payables	9,179	0	0	0	0.0%
5	Other liabilities	30,027	442	0	442	1.5%

Description *(in thousands of EUR)*		Total 2019	Subsidiaries	Other related parties	Total related parties	% weight on financial statement items
1	Equity investments	4,264	4,264	0	4,264	100%
2	Trade receivables	113,860	66	0	66	0.1%
3	Other assets	8,483	80	0	80	0.9%
4	Trade payables	7,563	0	0	0	0.0%
5	Other liabilities	32,392	178	0	178	0.5%

The item "Revenue from subsidiaries" includes amounts charged to the companies of the Openjob Consulting S.r.l. Group EUR 307 thousand (EUR 251 thousand in 2019), Seltis S.r.l. EUR 344 thousand (EUR 152 thousand in 2019 and EUR 29 thousand for Meritocracy merged into Seltis S.r.l. in 2020), HC S.r.l. for EUR 122 thousand (EUR 136 thousand in 2019 and EUR 15 thousand for Corium S.r.l. merged in 2020) and Family care S.r.l. for EUR 297 thousand (EUR 0 thousand in 2019). These charges relate mainly to services supplied in favour of the subsidiaries for administrative, management and staff supply tasks and charges for seconded staff. The amount due from group companies amounted to EUR 126 thousand at 31 December 2020 (EUR 66 thousand at 31 December 2019) from HC S.r.l. for management and coordination activities performed in 2020, EUR 15 thousand as at 31 December 2020 (EUR 0 thousand as at 31 December 2019) from Seltis S.r.l. and EUR 27 thousand as at 31 December 2020 (EUR 34 thousand as at 31 December 2019) from Openjob Consulting S.r.l. for the charge for the cost of seconded personnel.

The item Employee costs from Other related parties includes costs equal to EUR 1,361 thousand in 2020 (EUR 1,404 thousand in 2019) for the Board of Directors, EUR 591 thousand in 2020 (EUR 621 thousand in 2019) for Key management personnel and EUR 298 thousand in 2020 (EUR 271 thousand in 2019) for salaries paid to close relatives of the latter.

The item "Costs for services of Subsidiaries" includes the costs charged by the subsidiary Openjob Consulting S.r.l. in the amount of EUR 1,113 thousand (EUR 1,278 thousand in 2019) for payslip processing costs for temporary workers and training, and EUR 33 thousand (EUR 0 thousand in 2019) charged by the subsidiary HC S.r.l. for training projects carried out in 2020. The payable towards Subsidiaries at 31 December amounts to EUR 0 thousand (EUR 0 at 31 December 2019).

Financial income from Subsidiaries, equal to EUR 2,700 thousand (EUR 3,300 thousand in 2019), refers to the dividend paid by Openjob Consulting S.r.l. in the amount of EUR 2,100 thousand (EUR 2,400 thousand in 2019) and by Seltis S.r.l. in the amount of EUR 600 thousand (Euro 900 thousand in 2019). The income was collected in full during the year.

Other assets include Company assets from group companies for participation in the domestic tax consolidation scheme in the amount of EUR 109 thousand as at 31 December 2020 from Openjob Consulting S.r.l. (EUR 80 thousand as at 31 December 2019 from Seltis S.r.l.).

The item "Other liabilities" includes Company liabilities to group companies for participation in the domestic tax consolidation scheme in the amount of EUR 121 thousand as at 31 December 2020 (EUR 53 thousand as at 31 December 2019) to HC S.r.l., EUR 317 thousand as at 31 December 2020 to Family Care S.r.l. (EUR 0 thousand as at 31 December 2019), EUR 5 thousand as at 31 December 2020 to Seltis S.r.l. (EUR 0 thousand as at 31 December 2019), EUR 0 thousand as at 31 December 2020 to Openjob Consulting S.r.l. (EUR 20 thousand as at 31 December 2019) and EUR 0 thousand as at 31 December 2020 to HC S.r.l. (EUR 105 thousand as at 31 December 2019).

For Equity investments, see note 6 of this document.

In the course of normal business, the Group has provided contract worker supply services and has collaborated with related parties for insignificant amounts and under market conditions.

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

The general conditions that regulate the transactions with key management personnel and their related parties were not more favourable than those applied, or that could reasonably be applied, in the case of similar transactions with non-key management personnel associated with the same bodies at normal market conditions.

The total remuneration of key management personnel, recorded in the item Personnel expense and costs for services, amounted to EUR 1,952 thousand, of which EUR 1,361 thousand to members of the Board of Directors and EUR 591 thousand to key management personnel (EUR 2,025 thousand in 2019, of which EUR 1,404 thousand to members of the Board of Directors and EUR 621 thousand to key management personnel). In addition to salaries, the Company also offers certain key management personnel benefits in kind according to the ordinary contractual practice for company managers. It should be noted that the Board of Directors has assigned to several directors and key management personnel the option, i.e. the right to receive a sum of money corresponding to the increase in the value of Openjobmetis S.p.A. shares at the end of the three-year *vesting* period and subject to the occurrence of the conditions contained in the "Informational document relating to the incentive plan" based on the attribution of Phantom Stock Options available on the company website and to which explicit reference is made. On 15 May 2020, in order to deal with the impact of the Covid-19 emergency, all beneficiaries identified for the first tranche of the phantom stock options plan formalised an unconditional and irrevocable waiver of the right to exercise options accrued, with a subsequent economic benefit for the company of approximately EUR 441 thousand. It should also be noted that the remuneration to certain Directors has been paid to their respective companies rather than to individual beneficiaries, according to an agreement between them and the companies in question, for a total of EUR 40 thousand (EUR 39 thousand in 2019).

For more information regarding fees of said managers, reference is made to the 2020 Remuneration Report published in the "Corporate Governance" section of the company website.

Remuneration to the Board of Statutory Auditors for 2020 amounted to EUR 88 thousand (EUR 88 thousand in 2019).

The total value of transactions with said key management personnel and bodies over which they exercise control or significant influence is as follows:

Remuneration (in thousands of EUR)	**Remuneration for offices held**	**Non-monetary benefits**	**Bonuses and other incentives**	**Total remuneratio n**
Members of the Board of Directors	990	None	371	1,361
Key management personnel	430	None	161	591
Total	**1,420**	**None**	**532**	**1,952**

Remuneration (in thousands of EUR)	**Remuneration for offices held**	**Non-monetary benefits**	**Bonuses and other incentives**	**Total remuneratio n**
Board of Statutory Auditors	**88**	**None**	**0**	**88**
Total	**88**	**None**	**0**	**88**
Total remuneration of key management personnel	**1,508**	**None**	**532**	**2,040**

33. Atypical and/or unusual transactions

The separate financial statements as at and for the year ended 31 December 2020 do not show any income components or capital and financial items, either positive or negative, arising from atypical and/or unusual events and transactions, as defined in Consob communication No. DEM/606493 of 28 July 2006.

34. Subsequent events

On 25 January 2021, Openjobmetis S.p.A. announced that it had signed an agreement to acquire 100% of the capital of Quanta S.p.A. and 100% of the share capital of Quanta Ressources Humaines SA, indirectly acquiring the respective Italian and foreign subsidiaries. The agreed consideration consists of a cash portion of EUR 20 million, in addition to the allocation to the seller of 685,000 treasury shares already held by Openjobmetis S.p.A., representing 4.99% of the share capital. A five-year non-compete agreement is expected to be signed with the seller, worth a total of EUR 1.5 million. The real estate branch is expected to be spun-off in favour of the seller before the closing. The agreements ensure that, by anticipatig the effects of the spin-off of the real estate branch, as at 30 September 2020, the Quanta Group presents net financial indebtedness of less than EUR 16.8 million. To cover the aforementioned indebtedness, the transaction provides for guarantees in relation to which specific indemnity obligations have been agreed, guaranteed by escrow agreements.

35. Significant non-recurring events and transactions

In compliance with Consob communication no. DEM/6064293 of 28 July 2006, with regard to events or transactions whose occurrence is non-recurring or those transactions or events that do not occur frequently in the ordinary course of business, please refer to the comments in note 23, in relation to due diligence and consultancy services for EUR 247 thousand (approximately 1.1% of costs for services and approximately 2.7% of trade payables) and in note 27, in relation to the effect on income taxes deriving from the tax realignment of the goodwill pursuant to article 110.8/8-bis Law decree no 104/2020 for a total of EUR 18,006 thousand (approximately 99.4% of prepaid taxes and approximately 92.1% of deferred tax assets and approximately 45.9% of current taxes and approximately 100% of current and non-current tax liabilities).

36. Information required by article 1.125-129 of Law no. 124/2017 Article 1

It should be noted that during the year the Company did not receive any public grants, subsidies, benefits, contributions or aid, in cash or in kind, which are not general in nature and are not a form of consideration, remuneration or compensation, in addition to what has already been published on the site: https://www.rna.gov.it/RegistroNazionaleTrasparenza/faces/pages/TrasparenzaAiuto.jspx

37. Proposed allocation of profit for the year

The Board of Directors, taking into account the company's development projects, proposes to resolve as follows with respect to profit for the year 2020:

- Allocation of a dividend to shareholders for a total of EUR 1,432,904.00
- Allocation to other reserves for EUR 23,102,677.54
- There was no allocation to the legal reserve, having reached one fifth of the share capital, as required by Article 2430 of the Italian Civil Code.

Milan, 16 March 2021

On behalf of the Board of Directors

The Chairman

Marco Vittorelli

(signed on the original)

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

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

- the adequacy in relation to the characteristics of the company and
- the actual application of the administrative and accounting procedures for the preparation of the separate financial statements, during the year from *01/01/2020 to 31/12/2020.*

2. In this regard, it should be noted that the adequacy of the administrative and accounting procedures used to prepare the separate financial statements as at and for the year ended 31 December 2020 was assessed on the basis of the assessment of the system of internal controls and for the audit of the processes directly or indirectly connected with the preparation of the accounting and financial statement data.

3. We confirm that:

I. The separate financial statements as at and for the year ended 31 December 2020:

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

II. The directors' report of the separate and consolidated financial statements includes a reliable analysis of the operating performance and results, as well as the situation of the issuer, the events that have occurred during the year and their impact on the separate financial statements, together with the description of the main risks and uncertainties to which the issuer is exposed. The directors' report also contains information on significant transactions with related parties. Pursuant to the provisions of Article 154-ter of Legislative decree no. 58/98.

Milan, 16 March 2021

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

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

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Openjobmetis S.p.A.

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Openjobmetis S.p.A. (the "Company"), which comprise the statement of financial position as at 31 December 2020, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of Openjobmetis S.p.A. as at 31 December 2020 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the separate financial statements*" section of our report. We are independent of Openjobmetis S.p.A. in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Limited, società di diritto inglese.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of goodwill

Notes to the separate financial statements: 2 "Significant accounting policies" and 4 "Intangible assets and goodwill"

Key audit matter	Audit procedures addressing the key audit matter
The separate financial statements at 31 December 2020 include goodwill of €71,736 thousand (unchanged from 31 December 2019) arising from non-recurring transactions and acquisitions carried out in previous years. This goodwill is allocated to the cash-generating unit comprising the Company's and its subsidiaries' operating assets and liabilities (the "Group"). The directors, assisted by an external advisor, prepared an impairment test of goodwill, approved by the board of directors on 16 March 2021, in order to identify any impairment losses compared to its recoverable amount. The directors estimated the recoverable amount based on its value in use, calculated using the discounted cash flow model by discounting the expected cash flows set out in the 2021-2025 business plan approved by the board of directors on 4 February 2021. Impairment testing entails a high level of judgement, especially in relation to: — the expected cash flows, calculated by taking into account the general economic performance, that of the Company's sector, the effect thereon of the ongoing COVID-19 pandemic, and the actual cash flows generated by the cash-generating unit in recent years; — the financial parameters to be used to discount the above cash flows. For the above reasons and considering the materiality of the financial statements caption, we believe that the measurement of goodwill is a key audit matter.	Our audit procedures, which also involved our own specialists, included: — updating our understanding of the process adopted to prepare the 2021-2025 business plan and the impairment test, assessing the design and implementation of relevant controls and performing procedures to assess their operating effectiveness; — checking any discrepancies between previous years forecast and actual figures, in order to check the accuracy of the estimation process; — analysing the reasonableness of the expected cash flows and the key assumptions used by the directors to prepare the business plan used for impairment testing. We also compared the expected cash flows and key assumptions to the Group's historical figures and external information, where available; — assessing the reasonableness of the impairment testing model and related assumptions, especially in relation to the discount rate, based on the related components, and comparing them to external data and information; — checking any discrepancies between the most recent financial information prepared and the data included in the business plan and understanding the reasons therefor; — comparing the value in use arising from the impairment test to the market capitalisation; — checking the sensitivity analysis presented in the notes in relation to the

Key audit matter	Audit procedures addressing the key audit matter
	main assumptions used for impairment testing; — assessing the appropriateness of the disclosures provided in the notes about the measurement of goodwill.

Measurement of trade receivables

Notes to the separate financial statements: 2 "Significant accounting policies", 9 "Trade receivables" and 29 (a) "Financial instruments – credit risk"

Key audit matter	Audit procedures addressing the key audit matter
The separate financial statements at 31 December 2020 include trade receivables of €103,927 thousand, net of the loss allowance of €5,455 thousand (€113,860 thousand at 31 December 2019, net of the loss allowance of €4,812 thousand). In Italy, the Company has a large number of customers operating in various sectors, especially small to medium sized companies. Accordingly, any worsening in the general market conditions or a negative performance of the credit market could have an adverse impact on the Company's transactions with these customers, affecting its ability to collect its trade receivables and affecting its working capital management. Considering the nature of existing trade receivables, the Company estimated the impairment losses on trade receivables based on a specific assessment of the exposures individually significant or under dispute. It also performed a collective assessment by groups of homogeneous exposures. The loss allowance is based on the lifetime expected credit losses, estimated considering many factors, including: — trade receivables' aging; — customer's solvency; — historical figures adjusted if necessary by scalar factors to reflect the expected market conditions over the entire expected lives of the receivables. Accordingly, calculating the loss allowance requires a high level of judgement. For the above reasons and considering the materiality of the financial statements	Our audit procedures included: — updating our understanding of the process adopted to monitor and manage credit risk; — assessing the design and implementation of relevant controls and performing procedures to assess their operating effectiveness, including the Company's checks of its customers' solvency and assignment of a credit rating to them, the regular monitoring of past due exposures and of the implementation of the related recovery measures; — assessing the reasonableness of the trade receivable measurement model adopted by the Company, in relation to the collective and individual assessments, through discussions with the relevant internal departments and considering the Company's past experience and expectations about the market conditions over the entire expected lives of the receivables and our knowledge of its sector; — sample-based analysis of collections from customers after the reporting date relating to trade receivables existing at the reporting date; — on a sample basis and with reference to the main past due exposures, discussing the recoverability prospects with the relevant internal departments and checking their consistency, by assessing the reasonableness of estimates based on our understanding of the Company's business, its past experience, the reference environment and publicly-

Key audit matter	Audit procedures addressing the key audit matter
caption, we believe that the measurement of trade receivables is a key audit matter.	available information about its customers' financial position and performance; — sending written requests for information to the legal advisors assisting the Company with credit recovery and checking the individual assessments made by the Company for consistency with the information obtained; — assessing the appropriateness of the disclosures provided in the notes about the measurement of trade receivables.

Responsibilities of the Company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the Company's financial reporting process.

Auditors' responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

— identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 12 October 2015, the shareholders of Openjobmetis S.p.A. appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2015 to 31 December 2023.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The directors of Openjobmetis S.p.A. are responsible for the preparation of the Company's directors' report and the report on corporate governance and ownership structure at 31 December 2020 and for the consistency of such reports with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the Company's separate financial statements at 31 December 2020 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the Company's separate financial statements at 31 December 2020 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, 24 March 2021

KPMG S.p.A.

(signed on the original)

Luisa Polignano
Director of Audit

Report of the Board of Statutory Auditors pursuant to Art. 153 of Italian Legislative Decree 58/1998 and Art. 2429, paragraph 3, of the Italian Civil Code to the Shareholders' Meeting of Openjobmetis S.p.A. of 30 April 2021

Dear Shareholders,

The Board of Statutory Auditors, pursuant to Art. 153 of Italian Legislative Decree 58/1998 (TUF, "Consolidated Law on Finance") and Art. 2429, paragraph 3, of the Italian Civil Code, is required to report to the Shareholders' Meeting, called to approve the financial statements, on the monitoring activity carried out, as well as on any omissions or censurable events recorded.

In particular, the Board of Statutory Auditors reports on the monitoring activity it is required to perform in relation to the obligations set forth in the applicable legislation and taking into account the 'Rules of conduct for Boards of Statutory Auditors of listed companies – 2018 version' and according to the methods laid down in Consob Communication No. DEM/1025564 of 06/04/2001 and subsequent updates.

* * *

Appointment of the Board of Statutory Auditors

The Board of Statutory Auditors, in office on the date of this report, was appointed by the Shareholders' Meeting of 24 April 2018 for the three-year period 2018-2019-2020 and is composed of Chiara Segala (Chairperson), Manuela Paola Pagliarello and Roberto Tribuno (Acting Statutory Auditors). Alternate statutory auditors Marco Sironi and Alvise Deganello were appointed.
The term of office of the current Board of Statutory Auditors expires with the next Shareholders' Meeting called for 30 April 2021.

Significant events in the year

During the year, the Board of Statutory Auditors monitored observance of the law and of the Articles of Association and compliance with the principles of proper administration and has no observations to make in this regard.

The Board of Statutory Auditors received, from the Managing Director, the executive directors and the boards of directors of the subsidiaries, during meetings of the Board of Directors in which the Board of Statutory Auditors participates, adequate and timely information on the activities carried out, on the general operating performance and on the business outlook, as well as on the transactions of greatest economic, financial and equity importance carried out by the Company and its subsidiaries, in compliance with the frequency established by law. For a description of the most important transactions, please refer to the Board of Directors' Report on Operations, section 'Main significant events in 2020' and section 'Main significant subsequent events' which, as far as the Board of Statutory Auditors is aware, comprehensively summarise the most important events that concerned the Openjobmetis Group in 2020 and early 2021. The Board of Statutory Auditors acknowledges that the transactions of which it acquired knowledge conformed to the law and to the Articles of Association, were not manifestly imprudent or hazardous, did not involve a conflict of interests, and were in keeping with the resolutions adopted by the Shareholders' Meeting and, in any case, were not such as to compromise the integrity of company assets.

Atypical or unusual transactions, including intercompany transactions or transactions with related parties

Atypical and/or unusual transactions, according to Communication No. DEM/6064293 of 28 July 2006, *mean transactions that, owing to their significance/relevance, nature of the counterparties, object of the transaction, methods of determination of transfer pricing and timing of the event (proximity to the close of the year), may raise doubts as regards the accuracy/completeness of the information contained in the financial statements, conflicts of interests, the safeguarding of the company's assets or the protection of minority interests*.

During 2020, as far as this Board is aware, ordinary intercompany transactions were entered into in relation to general management activities, accounting and administrative assistance, management control, HR management, sales management, credit collection, EDP and data processing services, call centre, purchasing and staff leasing, payslip processing services and subsequent obligations, personnel selection and secondment. For full details, please refer to the section on 'Transactions with subsidiaries and related parties' in the Report on Operations and the 'Related Parties' notes to the Annual and Consolidated Financial Statements.

Pursuant to Art. 2391-bis of the Italian Civil Code and the Regulation on transactions with related parties approved by means of Consob Resolution 17221 of 12 March 2010 and subsequent amendments, the Board of Directors adopted a "Related-Party Transactions Procedure" (most recently updated 3 October 2019, having lost its status as a 'company of small size') and set up a "Related Party Transactions Committee" which, composed exclusively of independent directors, receives and examines a quarterly disclosure on the execution of transactions with related parties and promptly reports on them during the meetings of the Board of Directors.

It is acknowledged that the Board of Statutory Auditors verified the adequacy of the procedures adopted for identifying related parties and ensuring that the transactions entered into with related parties were carried out in respect of the criteria of transparency and procedural and substantive correctness. Some of the transactions exempt from the application of the procedures adopted by the company which provide for certain exemptions set out in legislation were also verified. As part of the monitoring activities carried out, based on the information identified and received and, as far as this Board of Statutory Auditors is aware, no atypical or unusual transactions carried out with third parties, with Group Companies or with other related parties came to light.

Relations with the Auditing Firm

Observations and proposals regarding the findings and information requests contained in the report of the auditing firm; certification of compliance of the Non-Financial Statement; indication of any assignment of additional engagements to the auditing firm and the relevant costs; observations on any significant aspects that emerged during the meetings held with the auditors; independence of the auditing firm.

The Board of Statutory Auditors, also as the Internal Control and Audit Committee, in accordance with the provisions of Art. 19 of Italian Legislative Decree No. 39/2010, carried out the prescribed monitoring activity.

On 24 March 2021, the appointed Auditing Firm, KPMG S.p.A., tasked with auditing the annual and consolidated financial statements of the Company for the 2015-2023 period, issued, in accordance with Art. 14 of Italian Legislative Decree No. 39/2010 and Art. 10 of (EU) Regulation No. 537/2014, its Report in which it expressed, outlining the key aspects of the legal audit of the financial statements, for the annual financial statements and the consolidated financial statements:

a) a judgement without findings and information requests, showing that they conform to the regulations that govern their drafting and give a true and fair view of the financial and equity position, of the economic result and of the cash flows of the Openjobmetis S.p.A. Group as at 31 December 2020;
b) a judgement of consistency with respect to the Report on Operations and some specific information contained in the Report on Corporate Governance and Ownership Structures with the Consolidated Financial Statements of the Openjobmetis S.p.A. Group;
c) a judgement of compliance with applicable laws with respect to the drafting of the Report on Operations and some specific information contained in the Report on Corporate Governance and Ownership Structures.

On 24 March 2021, the Independent Auditors also presented to the Board of Statutory Auditors, as the Internal Control and Audit Committee, the Additional report set forth in Art. 11 of (EU) Regulation No. 537/2014 in which it certifies that no significant deviations were identified in the internal control system in relation to financial disclosure and in the Company's accounting system. In addition, no audit differences were identified to be brought to the attention of the Internal Control and Audit Committee.

The Board of Statutory Auditors sends this report to the Board of Directors according to the provisions of Art. 19 of Italian Legislative Decree 39/2010.

The Board of Statutory Auditors periodically met with the Auditing Firm (KPMG S.p.A.), for the purposes of monitoring the process for drawing up the financial disclosure, the legal audit of the annual financial statements and the consolidated financial statements, and to guarantee the prompt exchange of the relevant data and information for the fulfilment of the respective duties. During these meetings, the Board of Statutory Auditors was informed about the key and significant aspects that emerged during the audit and no censurable events or irregularities came to light such as to require reporting pursuant to Art. 155, paragraph 2, of the TUF, nor any aspects that need to be mentioned in this report.

On 24 March 2021, the Auditing Firm issued, as required by Art. 3, paragraph 10, of Italian Legislative Decree no. 254/2016 and Art. 5 of Consob Regulation implementing Italian Legislative Decree no. 254/2016, the certification of conformity of the information contained in the Consolidated Non-Financial Statement which was approved by the Board of Directors on 16 March 2021 as a separate document from the Report on Operations, accompanying the 2020 Annual Financial Report.

The Auditing Firm declared the fulfilment of the independence requirement, as required by Art. 19 of Italian Legislative Decree no. 39/2010 and Art. 6 of (EU) Regulation No. 537/2014; the Board of Statutory Auditors, acknowledged the 2020 Transparency Report prepared by KPMG S.p.A., published on its website pursuant to Art. 18 of Italian Legislative Decree 39/2010; it held regular discussions with the Auditing Firm and, as a result of these discussions, believes that no situations come to light which may compromise its independence.

During 2020, the Board of Statutory Auditors, in its continuous monitoring activities regarding the possible assignment to the auditing firm of services other than those pursuant to Art. 5, paragraph 1, of (EU) Regulation No. 537/2014, carried out the checks provided for in Art. 4, paragraph 2, of (EU) Regulation No. 537/2014, acknowledging that the company complies with the provisions of Art. 4, paragraph 2, of (EU) Regulation No. 537/2014.

During the financial year ended 31 December 2020, KPMG S.p.A. carried out the following services for the Company and for the Group companies for a total amount of EUR 225,000.00, broken down as follows:

a) legal audit of Openjobmetis S.p.A.: EUR 160,000.00;
b) legal audit of the subsidiaries: EUR 46,000.00;
c) activities regarding the Consolidated Non-Financial Statement pursuant to Italian Legislative Decree 254/2016: EUR 15,000.00;
d) activities for the Forma.Temp statement: EUR 4,000.00.

In early 2021, the appointed auditing firm KPMG S.p.A. and some companies belonging to its network were entrusted by the Company to carry out a significant due diligence task, for which the Board of Statutory Auditors, following a specific and in-depth assessment, approved the task in advance in accordance with the provisions of EU Regulation 537/2014.

Any presentation of statements pursuant to Art. 2408 of the Italian Civil Code and complaints; initiatives undertaken and associated outcomes

During the year and up until today's date, no statements were received by the Board of Statutory Auditors pursuant to Art. 2408 of the Italian Civil Code, nor any complaints.

Opinions issued by the Board of Statutory Auditors

During 2020, the Board of Statutory Auditors, following examination, expressed, in particular:

- a favourable opinion on the determination of the remuneration of the directors vested with special offices and/or executive roles pursuant to Art. 2389, paragraph 3, verifying that the proposals were in line with the remuneration policy;
- a favourable opinion on the approval of the 2020 Audit Plan in accordance with Application Criteria 7.C.1. of the Corporate Governance Code;
- a favourable opinion on the correct use of the accounting standards and their homogeneity for the purposes of the drafting of the 2019 consolidated financial statements pursuant to Application Criteria 7.C.2. of the Corporate Governance Code;

- a favourable opinion pursuant to Art. 19, paragraph 1, letter e), of Italian Legislative Decree No. 39/2010 concerning the assignment to the independent auditors of tasks other than those provided for in Art. 5 of (EU) Regulation No. 534/2016;

In 2021 and up until today's date, the Board of Statutory Auditors issued the following opinions, in particular:

- a favourable opinion on the approval of the 2021 Audit Plan pursuant to Art. 6, Recommendation 33, letter c), of the Corporate Governance Code;
- a favourable opinion on the correct use of the accounting standards and their homogeneity for the purposes of the drafting of the 2020 consolidated financial statements pursuant to Art. 6, Recommendation 35, of the Corporate Governance Code;
- a favourable opinion on the evaluation of the results presented by the auditing firm in the report on the fundamental questions identified during the legal audit pursuant to Application Criteria 7.C.1. of the Corporate Governance Code;
- a favourable opinion on the proposed determination of the remuneration of the directors vested with special offices and/or executive roles pursuant to Art. 2389, paragraph 3.

Frequency and number of meetings of the Board of Directors and the Board of Statutory Auditors

In 2020, the Board of Statutory Auditors' supervisory activities were carried out over the course of the 19 meetings of the Board of Statutory Auditors, taking part in the 13 meetings of the Board of Directors, as well as through the participation of the Board of Statutory Auditors, jointly or through its Chairman, in the 7 meetings of the Control and Risk Committee, in the 7 meetings of the Remuneration Committee, in the 5 meetings of the Related Party Committee, in the 2 meetings of the ESG Committee and in the Shareholders' Meeting of 17 April 2020. The Board of Statutory Auditors also participated in the induction sessions organised by the Company in 2020.

The Board of Statutory Auditors met 12 times in 2021 up until the date of drafting of this Report. In March 2021, the Board of Statutory Auditors in office carried out the annual self-assessment procedure to verify that its members continued to meet the requirements of independence, experience, competence and integrity, including an evaluation of additional qualitative, quantitative and functioning profiles, as required by the reference legislation. The checks conducted did not highlight any corrective measures to be implemented.
Moreover, in line with the recommendations of the 'Rules of conduct for boards of statutory auditors of listed companies', the Board of Statutory Auditors summarised in a document the activities carried out, indicating the time commitment required so as to allow shareholders and candidate statutory auditors to assess the adequacy of the remuneration proposed.

Observations on respect for the principles of proper administration

In exercising its functions, the Board of Statutory Auditors, as required by Art. 2403 of the Italian Civil Code and Art. 149 of the Consolidated Law on Finance, monitored observance of the law and of the Articles of Association and respect for the principles of proper administration.

The Board of Statutory Auditors, also through constant participation in the meetings of the Board of Directors and the meetings of the internal Board committees, monitored the diligent conduct of the directors, the aspects of substantive legitimacy of the management decisions made and the correctness of the decision-making procedure, verifying that the management decisions were based on the principle of correct information and reasonableness and that they were consistent and compatible with the available resources and the risk assumed in the company's interest.

As far as it is aware, the Board of Statutory Auditors believes that no transactions were carried out which were unrelated to the corporate purpose, manifestly imprudent, hazardous or demonstrably suited to prejudicing the integrity of company assets.

Observations of the adequacy of the organisational structure

The Board of Statutory Auditors acquired knowledge of the organisational structure, constantly gathering information during its mandate, verifying the system of delegations, powers, procedures and company organisational charts, and periodically meeting the managers of the various functions, receiving constant information flows from the Managing Director and from the managers of the identified functions.

The Board of Statutory Auditors, in relation to the dimensions of the company, the corporate purpose and the characteristics of the company, believes that the company's organisational structure is adequate.

Adequacy of the Internal Control System

The Board of Statutory Auditors monitored the adequacy and functioning of the internal control system:

- by acquiring the reports and judgements issued by the Director in charge of the internal control and risk management system;
- by acquiring the reports and judgements issued by the Control and Risk Committee and participating in the meetings of the Control and Risk Committee;
- by acquiring the reports prepared and the audits conducted by the Internal Audit department, as well as the Audit Plan proposed; by meeting periodically with the head of the department and obtaining reassurance from said individual regarding the adequacy of the resources assigned for the performance of his/her activities with respect to the 2020 and 2021 Audit Plan; by acquiring information on the improvements and remediation of any non-conformities/anomalies identified during the audit;
- by acquiring and receiving information regarding the identification of the risks evaluated for the company and the associated update;
- by acquiring the reports and judgements issued by the Auditing Firm; by periodically meeting the Auditing Firm;
- by verifying that the company is equipped with a constantly updated Organisation, Management and Control Model pursuant to Legislative Decree 231/2001; by acquiring reports and periodically meeting the Supervisory Body;
- by evaluating the promptness of the flows from the entities involved in the internal control and risk management system, in the case of anomalies and/or extraordinary events;
- by evaluating the promptness in the request for an additional non-planned audit in the event anomalies are identified by the Director in charge of the internal control and risk management system;
- by acknowledging the positive judgement of the Board of Directors in relation to the adequacy and effective functioning of the Internal Control and Risk Management System for 2020.

As regards the subsidiaries, the Board of Statutory Auditors, while considering the limited size of the various subsidiaries, has ensured that the internal control system strictly monitors all the subsidiaries, also in view of the fact that they do not have autonomous Internal Audit functions and internal control bodies. The Board of Statutory Auditors considers the internal control and risk management system to be essentially adequate, and hopes that it will continue to be strengthened.

Adequacy of the administrative-accounting system and its reliability in correctly representing operating events

The Board of Statutory Auditors monitored the adequacy of the administrative-accounting system and its reliability in correctly representing operating events, as well as the financial disclosure process, through:

- the acquisition of information from the Manager charged with preparing the company's financial reports;
- the acknowledgement of the certifications issued by the Managing Director and the Manager charged with preparing the company's financial reports pursuant to Art. 154-bis of Italian Legislative Decree 58/98;
- verifying observance of the accounting standards applied in preparing the annual financial statements and the consolidated financial statements;
- the acquisition of the periodic Reports of the head of the Internal Audit department and the results of the tests for the purposes of Italian Law No. 262/05;
- the substantial and formal verification of the Impairment Test process;
- the acquisition of the reports and constant exchange of information during the periodic meetings with the Auditing Firm;
- the obtainment of corporate documents and of the procedures implemented.

In the opinion of the Board of Statutory Auditors, there are no elements that lead it to believe that the administrative-accounting system is not adequate or that it is not reliable in correctly representing operating events, and no deficiencies or facts came to light that need to be reported to the Shareholders' Meeting.

Observations on the adequacy of the provisions handed down by the company to the subsidiaries pursuant to Art. 114, paragraph 2, of Italian Legislative Decree 58/1998

The Board of Statutory Auditors considers as adequate the system of provisions targeted at the subsidiaries pursuant to Art. 114, paragraph 2, of the TUF, to enable the company to fulfil the public disclosure obligations set forth by law.

Company compliance with the 2018 version of the Corporate Governance Code and the 2020 version of the Corporate Governance Code

The company complied with the Corporate Governance Code which was last updated in January 2020, and previously with the Corporate Governance Code of listed companies 2018 version.

For the purposes of the requirements of said Code, the Board of Statutory Auditors, among other activities:

- received and examined the Report on Corporate Governance and Ownership Structures, in which it adequately details the Company's compliance with the Code; in the Report on Corporate Governance and Ownership Structures, the company, in the event in which it does not adhere to the recommendations of the Code, explains the reasons for any non-compliance as requested;
- was able to verify that the Board of Directors, in evaluating the independence of its non-executive members, correctly applied the criteria identified in the Code and the principle of the prevalence of substance over form indicated therein, having applied, to this end, a transparent assessment procedure, the characteristics of which are described in the aforementioned Report on Corporate Governance and Ownership Structures for 2020.

As part of the process of adjustment to the provisions of the new Corporate Governance Code, January 2020 version, the company has:

1) adopted:
    - a Policy for the management of dialogue with the shareholders in general;
    - Guidelines on the quantitative and qualitative composition of the Board of Directors;
    - Qualitative and quantitative criteria for the assessment (pursuant to Art. 2, Recommendation 7, of the Corporate Governance Code) of the independence requirement in relation to the non-executive members of the board of Directors.

2) amended the following existing documents:
    - Board of Directors' Regulations;
    - Control and Risk Committee Regulations;
    - Remunerations Committee Regulations;
    - Environmental, Social and Governance Committee ("ESG") Regulations;
    - Internal Audit function Regulations;
    - Internal Control and Risk Management System Guidelines;
    - Procedure for the Regulation of the internal control system information flows;
    - Guidelines on the limit to the maximum number of appointments held by the Directors;
    - Diversity policy.

Additional activities carried out by the Board of Statutory Auditors

The Board of Statutory Auditors evaluated the separate financial statements and the consolidated financial statements, verifying the promptness and correctness of the drafting of the documents that make up the financial statements as well as the procedure used to prepare said documents.

The Board of Statutory Auditors verified the reliability of the contents of the Report on Operations prepared by the Board of Directors. In the Report, it is acknowledged that the main risks and uncertainties are summarised, and details are provided on the business outlook of the Company and of the Group.

The Board of Statutory Auditors, as required by Italian Legislative Decree 254/2016 and Consob Regulation 20267/2018, monitored the observance of the provisions established in Art. 3, paragraph 1, of Italian Legislative Decree 254/2016 concerning the Consolidated Non-Financial Statement, and has no observations to make in this regard.

The Board of Statutory Auditors verified that the Report on Corporate Governance and Ownership Structures contains the information required by Art. 123-bis of the TUF and the considerations reached by the Board of Directors regarding the recommendations formulated in the letter of 22 December 2020 by the Chairman of the Corporate Governance Committee.

The Board of Statutory Auditors verified the contents of the Remuneration Report pursuant to Art. 123-ter of the Consolidated Law on Finance and 84-quater of the Issuers' Regulation and the Remuneration Policy for 2021.

The Board of Statutory Auditors monitored the activities and procedures put in place following the Covid-19 pandemic outbreak, including the procedures intended to ensure the correct management of information flows, regularly monitoring that put in place by the company with reference to the potential economic and financial impacts and ESMA recommendations.

Closing evaluations regarding the monitoring activities carried out as well as regarding any omissions, censurable events or irregularities identified during said monitoring activities

During the monitoring activity described above, no censurable events, omissions and irregularities were identified that need to be highlighted in this report.

Indication of any proposals to be presented to the Shareholders' Meeting pursuant to Art. 153, paragraph 2, of Italian Legislative Decree 58/98

The Board of Statutory Auditors does not believe that elements exist such as to require the exercising of the right to formulate proposals to the Shareholders' Meeting pursuant to Art. 153, paragraph 2, of the TUF.

*** * ***

Taking account of the information outlined above and for matters within its competence, the Board of Statutory Auditors, based on the monitoring activities performed, and the information resulting from the certifications issued jointly by the Managing Director and the Manager charged with preparing the company's financial reports, the report prepared by the Auditing Firm and the relevant judgement on the financial statements, has no objections to the approval of the financial statements for the year ended as at 31 December 2020, in compliance with the proposal by the Board of Directors and regarding the proposals formulated to the Shareholders' Meeting by the Board of Directors for the allocation of profit for 2020 and the disbursement of a dividend.

Milan, 24.03.2021

The Board of Statutory Auditors

Chiara Segala

Manuela Paola Pagliarello

Roberto Tribuno

OPENJOBMETIS S.P.A.

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

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