# HALF-YEAR FINANCIAL REPORT AT 30/06/2021

This English version of Tinexta’s Half-Year Financial Report at 30/06/2021 is made available to provide non-Italian speakers a translation of the original document. Please note that in the event of any inconsistency or discrepancy between the English version and the Italian version, the original Italian version shall prevail.

TINEXTA

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# COMPANY DATA and COMPOSITION OF CORPORATE BODIES

## Parent Company's Registered Office

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

## Statutory Information about the Parent Company

Share capital resolved, subscribed and paid-in €47,207,120
Rome Corporate Registry No. RM 1247386
Tax ID and VAT No. 10654631000
Institutional website www.tinexta.com

## Corporate bodies currently in office

### Board of Directors

| | |
|---|---|
| Enrico Salza | Chairman |
| Riccardo Ranalli | Deputy Chairman |
| Pier Andrea Chevallard | Chief Executive Officer |
| Laura Benedetto | Director |
| Eugenio Rossetti | Director (independent) |
| Valerio Veronesi | Director (independent) |
| Elisa Corghi | Director (independent) |
| Paola Generali | Director (independent) |
| Caterina Giomi | Director (independent) |
| Laura Rovizzi | Director (independent) |
| Gianmarco Montanari | Director (independent) |

### Control, Risks and Sustainability Committee

| | |
|---|---|
| Eugenio Rossetti | Chairman |
| Riccardo Ranalli | |
| Laura Rovizzi | |

### Related Party Committee

| | |
|---|---|
| Valerio Veronesi | Chairman |
| Paola Generali | |
| Caterina Giomi | |

### Remuneration Committee

| | |
|---|---|
| Elisa Corghi | Chairman |
| Laura Benedetto | |
| Gianmarco Montanari | |

### Board of Statutory Auditors

| | |
|---|---|
| Luca Laurini | Chairman |
| Andrea Bignami | Standing Auditor |
| Monica Mannino | Standing Auditor |
| Anna Maria Mantovani | Alternate Auditor |
| Maria Cristina Ramenzoni | Alternate Auditor |

### Independent Auditors

KPMG S.p.A.

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

Nicola Di Liello

## Registered and operating headquarters

Piazza Sallustio 9 - 00187 Rome

## Operating headquarters

Via Meravigli, 7 – 20123 Milan
Piazza Luigi Da Porto, 3 – 35131 Padua
Via Principi d'Acaia, 12 – 10138 Turin

## SUMMARY OF GROUP RESULTS

| *Summary income statement data (€ '000)* | 1st half 2021 | 1st half 2020[1] | Change | Change |
|---|---|---|---|---|
| Revenues | 177,813 | 123,817 | 53,996 | 43.6% |
| *EBITDA before Stock Options* | 41,173 | 34,451 | 6,722 | 19.5% |
| EBITDA | 40,270 | 34,412 | 5,858 | 17.0% |
| *Adjusted EBITDA* | 42,287 | 34,903 | 7,385 | 21.2% |
| Operating profit | 26,403 | 21,576 | 4,827 | 22.4% |
| *Adjusted operating profit* | 31,071 | 25,053 | 6,018 | 24.0% |
| Net profit | 20,641 | 15,936 | 4,706 | 29.5% |
| *Adjusted net profit* | 20,426 | 16,667 | 3,759 | 22.6% |
| Free cash flow | 29,663 | 28,919 | 744 | 2.6% |

| *Summary income statement data (€ '000)* | 2nd quarter 2021 | 2nd quarter 2020[2] | Change | Change |
|---|---|---|---|---|
| Revenues | 95,147 | 68,906 | 26,241 | 38.1% |
| *EBITDA before Stock Options* | *24,396* | *23,535* | *861* | *3.7%* |
| EBITDA | 23,919 | 23,496 | 423 | 1.8% |
| *Adjusted EBITDA* | *25,293* | *23,904* | *1,390* | *5.8%* |
| Operating profit | 16,876 | 16,934 | -58 | -0.3% |
| *Adjusted operating profit* | *19,575* | *18,835* | *741* | *3.9%* |
| Net profit | 13,819 | 13,045 | 774 | 5.9% |
| *Adjusted net profit* | *13,047* | *12,789* | *257* | *2.0%* |
| Free cash flow | 4,880 | 8,806 | -3,926 | -44.6% |

| *Summary financial data (€ '000)* | 30/06/2021 | 31/12/2020 | Change | % change |
|---|---|---|---|---|
| Share capital | 47,207 | 47,207 | 0 | 0.0% |
| Shareholders' equity | 166,353 | 173,881 | -7,528 | -4.3% |
| Total financial indebtedness | 205,237 | 91,882 | 113,355 | 123.4% |

| *Summary financial data (€ '000)* | 30/06/2021 | 30/06/2020[1] | Change | % change |
|---|---|---|---|---|
| Share capital | 47,207 | 47,207 | 0 | 0.0% |
| Shareholders' equity | 166,353 | 153,547 | 12,805 | 8.3% |
| Total financial indebtedness | 205,237 | 114,597 | 90,640 | 79.1% |

[1] The comparative data for the first six months of 2020 were re-stated in relation to the completion, in the fourth quarter of 2020, of identification of the fair values of the assets and liabilities of PrivacyLab S.r.l., consolidated on a line-by-line basis from 1 January 2020.

[2] The comparative data for the second quarter of 2020 were re-stated in relation to the completion, in the fourth quarter of 2020, of identification of the fair values of the assets and liabilities of PrivacyLab S.r.l., consolidated on a line-by-line basis from 1 January 2020.

# INTERIM REPORT ON OPERATIONS

## GROUP ACTIVITIES

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

The Group operates through three *Business Units* (*BUs*):

1. the *Digital Trust BU* offers the market IT solutions for the digital identity and dematerialisation of processes in line with applicable regulations (including eIDAS European regulations issued in 2016, EU Regulation 910/2014) and compliance standards of customers and industry. Products can also be broken down between *Off the Shelf* products *(Telematic Trust Solutions)* such as certified e-mail (Legalmail), electronic storage, digital signature, e-invoicing and *e-Enterprise Solutions* such as *Trusted Onboarding Platform (TOP)* and *GoSign*, within the market of Digital Transaction Management. *Digital Trust* activities are provided by the Group through InfoCert S.p.A., its subsidiaries and associates and Visura S.p.A.

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

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

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

   Visura S.p.A. is active in the *Digital Trust* market mainly through the sale of *Telematic Trust Solutions* and resale services of products such as certified e-mail, digital signature and electronic invoicing. It offers also IT products and services to professional associations such as telematic certificates, Quadra (electronic filing of documents and management of civil proceedings), electronic filing of practices and financial statements, and CAF Facile (the filing of 730 tax returns and ISEE). It manages around 450 thousand customer records including professionals, professional firms, public administrations, professional associations and companies.

2. On 12 October 2020 Tinexta announced the creation of the *Cybersecurity BU* to assist private and public customers in *digital transformation* processes with the best technologies and protocols for digital security and identity. Tinexta signed binding agreements for the acquisition of the majority of the share capital of three major Italian companies: the company containing the Projects and Solutions

- IT and R&D divisions of Corvallis (acquisition completed on 22 January 2021), Yoroi S.r.l. (acquisition completed on 26 January 2021) and Swascan S.r.l. (acquisition completed on 20 October 2020).

The IT and R&D divisions of Corvallis (now merged into Corvallis S.r.l. together with the 100% stake in Payotik S.r.l.) have a long experience on the market as a provider of high value solutions. The skills developed by Corvallis are essential to create solutions for large projects of financial companies and other sectors. This activity is based on a broad client base, developed on strong relationships and processes aligned to international best practices. It boasts also a training model based on an "Academy", also thanks to the collaboration with the University of Padua and the University of Milan-Bicocca.

Yoroi S.r.l. (which had incorporated Cybaze and @Mediaservice, before joining Tinexta) provides cutting-edge solutions to companies and organisations that must contain and manage all levels of IT risk, in order to prevent or reduce the damages potentially deriving from a cyber-attack. The Company has a diversified commercial offer that covers the entire IT security value chain for large companies, with highly specialised technologies and well-known brands such as Cybaze, Emaze, Yoroi and Mediaservice.net. Lastly, Yoroi carries out extensive R&D activities, collaborating with the University of Bologna, La Sapienza University in Rome, and the University of Sannio.

Swascan S.r.l. is an innovative Italian *Cybersecurity* startup, owner of the *Swascan Cloud Security Testing* platform and a recognised *Cyber Competence Centre*. The combination of the “SaaS ready to use” platform and the company's vertical and highly specialised skills make it a point of reference for SMEs for IT security and legislative compliance requirements.

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

   In relation to *Credit Information & Management*, the Group operates through Innolva S.p.A. and RE Valuta S.p.A. Innolva S.p.A. (created from the merger of Assicom S.p.A. and Ribes S.p.A. in 2017, and which in 2020 merged by incorporation with Promozioni Servizi S.r.l.) and its subsidiaries Comas S.r.l. and Innolva Relazioni Investigative S.r.l. offer a complete range of information services to support decision-making processes for the granting, assessment and recovery of credit, along with credit management and *business information* services. The aim is to support banks and SMEs at every stage of the credit management and recovery cycle. Since 2018, Innolva has controlled Comas (which in 2020 merged Webber S.r.l. by incorporation) established in 1976 and predominantly active in the resale, through the internet, of business information such as filings with Chambers of Commerce, cadastral property registries, the Driver and Vehicle Licensing Agency and the Registry Office, court certificates, reports on natural and legal persons and other information services.

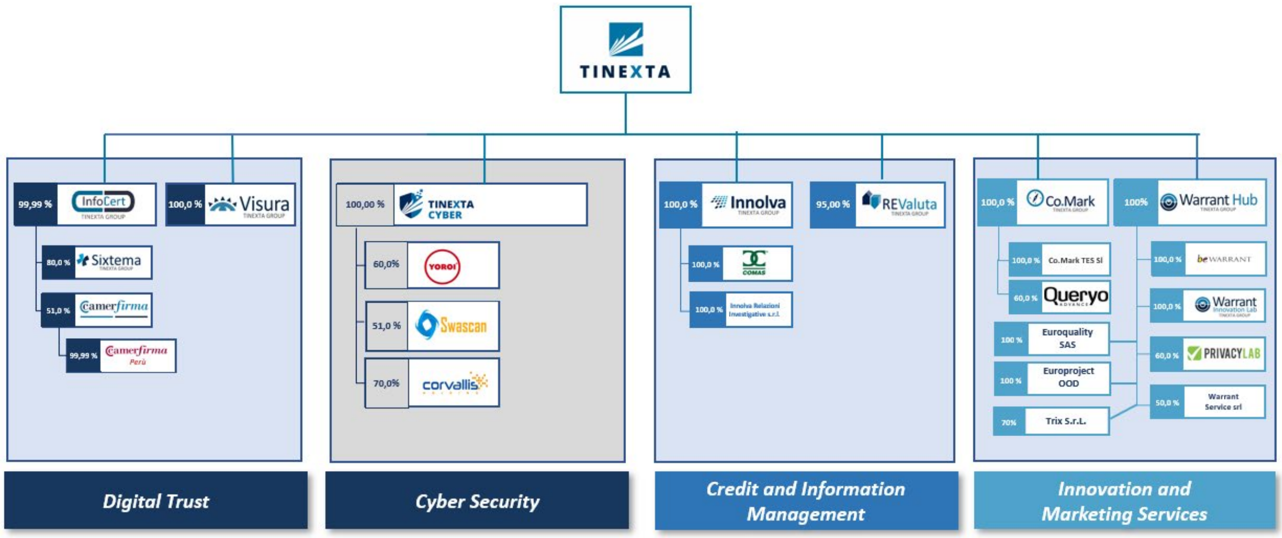
   RE Valuta identifies and provides assessment services to define the value of real estate collateral during the granting of loans or during the process of assessing the value of real estate assets recognised in the Financial Statements, primarily for banking customers.

4. The *Innovation & Marketing Services BU* operates in the market through Co.Mark S.p.A. (acquired in 2016) and its subsidiaries and Warrant Hub S.p.A. and its subsidiaries acquired in November 2017. Through a team of TES® (*Temporary Export Specialists*®), Co.Mark provides value-added services aimed at supporting small and medium-sized companies or networks of companies in their internationalisation, in the search for customers and in creating business opportunities in Italy and abroad. In July 2015, Co.Mark TES was established in Barcelona with the objective of developing the innovative export model to support Spanish SMEs, which operate in a market very similar to the Italian one. On 28 January 2021, Co.Mark S.p.A. completed the acquisition of control of Queryo Advance S.r.l. (Queryo), a *Digital Agency* founded in 2014, which offers mainly services for the design

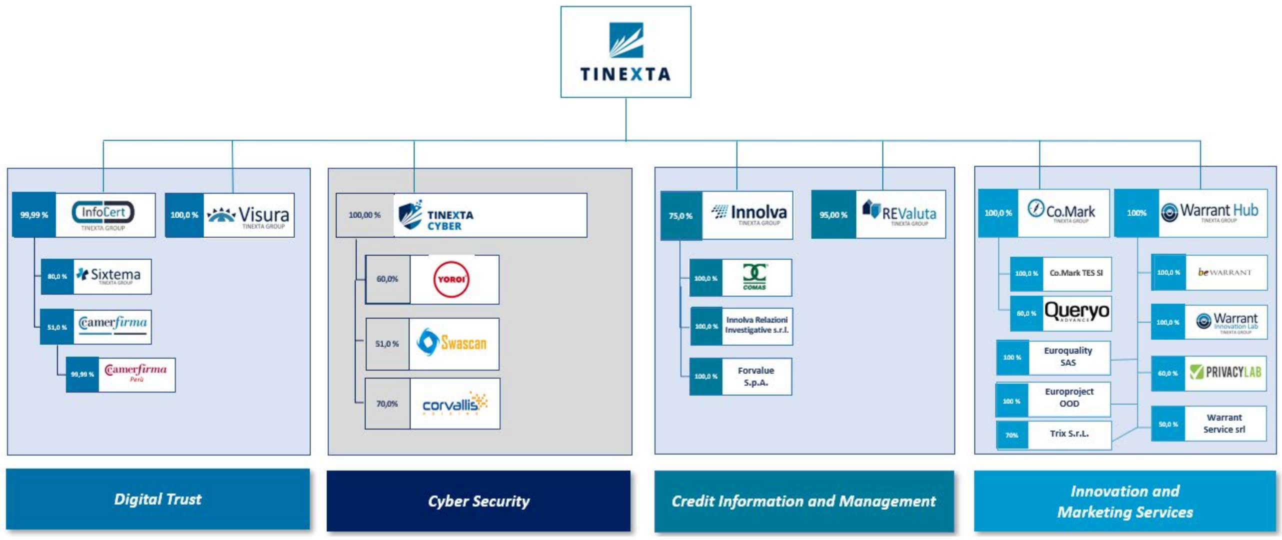
and management of *Digital ADV*, SEM (*Search Engine Marketing*) - SEA (*Search Engine Advertising*) and SEO (*Search Engine Optimization*), *Social Media Marketing*, *Remarketing* and *advanced Web Analytics* campaigns, with a distinctly *Data Driven* and *performance-oriented* vision.

Warrant Hub and its subsidiaries offer mainly consulting services to companies that invest in productivity and innovation/R&D to obtain subsidised and integrated loans primarily from the Italian Ministry of Economic Development and the Regions, as well as the tools provided by the National Industry Plan 4.0. BeWarrant and the *European Funding Division* of Warrant Hub support European projects for research, development or innovation, facilitating access to the European co-financing through dedicated programmes such as *Horizon 2020* (in the future *Horizon Europe*), *Life, SME Instruments* and *Fast Track to Innovation*. Warrant Hub offers specific support to companies in managing relations with banks and in analysing company ratings in order to identify the most critical variables on which to implement actions to improve the company in view of Basel 2. Warrant Innovation Lab focuses on promoting the sharing of knowledge, ideas, products, technologies and methodologies among companies, universities and research centres, in order to systematically generate and support industrial innovation. Privacy Lab, acquired in January 2020, operates in the sale of licenses, consulting, training and tools for managing GDPR compliance. On 11 November 2020, Warrant Hub S.p.A. finalised the acquisition of Euroquality SAS, based in Paris, and its affiliate Europroject OOD ("Europroject"), based in Sofia (Bulgaria), consulting companies specialised in supporting their own customers in accessing European funds for innovation.

Structure of the Tinexta Group, including only controlling interests held, at 30 June 2021:



Structure of Tinexta Group, including only controlling interests, at the date of this meeting of the Board of Directors:




## KEY EVENTS OF THE PERIOD

Key events that occurred in first half of 2021 is provided as follows:

- On **7 January 2021**, Tinexta S.p.A. established a joint-stock company called Tinexta Cyber S.p.A. with sole shareholder and registered office in Rome. The share capital amounts to €1,000,000 divided into 1,000,000 ordinary shares with no nominal value and was fully paid up. In January and February, Tinexta S.p.A. made capital contribution payments totalling €50 million.

- On **22 January 2021**, following the *signing* on 12 October 2020, Tinexta S.p.A., through the newly established Tinexta Cyber S.p.A., finalised the acquisition of 70% of the share capital of Corvallis S.r.l. consisting of the Projects and Solutions business unit and the research and development activities of Corvallis S.p.A., and the entire share capital of Payotik S.r.l. The acquisition is part of the project for Tinexta to create a new Italian hub of digital security services, supporting the other businesses of the Group, in particular the digital identity business. The price for the 70% share is €25.0 million, plus total price adjustments, currently estimated at €3.4 million. The agreements sets forth that the *Put & Call* option rights relating to the minority interests may be exercised in 2024, after the approval of the 2023 financial statements. As part of Tinexta's new *Cybersecurity* business unit ("BU"), the skills developed by Corvallis and the size of the division are essential to create advanced solutions and tackle the most complex projects. High skills, highly specialised resources and advanced technologies will make it possible to seize the growing opportunities in the rapidly expanding digital market.

- On **26 January 2021**, following the *signing* announced on 12 October 2020, Tinexta S.p.A., through the newly established Tinexta Cyber S.p.A., finalised the acquisition of 60% of the share capital of Yoroi, one of the most advanced players in the Cybersecurity sector with its Cybaze, Emaze and @Mediaservice.net brands. The acquisition is part of the project for Tinexta to create a new Italian hub of digital security services, supporting the other businesses of the Group, in particular the digital identity business. The price for the 60% share is €19.1 million, plus a defined and already paid price adjustment of €0.6 million. The agreements sets forth that the *Put & Call* option rights relating to the minority interests may be exercised in 2024, after the approval of the 2023 financial statements. As part of the new *Cybersecurity* business unit ("BU") of Tinexta, in addition to the further development of Yoroi's skills in the field of Research & Development, the dedicated team will be responsible for providing cutting-edge responses to companies and organisations that have the need to contain and manage all cyber risks, in order to prevent or reduce the damages potentially deriving from a cyber-attack.

- On **28 January 2021**, Co.Mark S.p.A. finalised the investment in Queryo Advance S.r.l. (Queryo) for a 60% stake in the share capital for an amount of €8.9 million, of which €4.2 million paid at closing and €4.7 million as price adjustment (already paid for €3.7 million). The transaction provided for also a variable price component equal to a maximum of €1.2 million not due on the basis of the final results in 2020. Queryo is a *Digital Agency* founded in 2014, which offers mainly services for the design and management of *Digital ADV*, SEM (*Search Engine Marketing*) - SEA (*Search Engine Advertising*) and SEO (*Search Engine Optimization*), *Social Media Marketing*, *Remarketing and advanced Web Analytics* campaigns, with a distinctly *Data Driven* and *performance-oriented* vision. Co.Mark enters the share capital of Queryo with the aim of extending its offer and supporting the company's development plan over the next few years. The agreements sets forth that the *Put & Call* option rights relating to the minority shares of the share capital may be exercised in 2025, after the approval of the 2024 financial statements.
- On **18 February 2021**, Tinexta S.p.A. sold the shareholding representing 51% of the share capital of Swascan S.r.l. at a "spot" price of €2,200 thousand to Tinexta Cyber S.p.A.
- On **April 27, 2021**, the Shareholders' Meeting has:
    - approved the proposed dividend of €12,035,392.98, i.e. €0.26 per share for the 46,289,973 outstanding shares, at the date of the Meeting. The Shareholders' Meeting resolved also to allocate the remainder of the Profit for the year (€13,784,800.20) to Retained Earnings, less 5% to be allocated to the legal reserve, amounting to €1,358,957.54;
    - set up the number of members of the Board of Directors at 11 for the financial years 2021-2022-2023, as well as resolving on the remuneration of the Board and confirming the appointment as Chairman of the Board of Directors of Enrico Salza. The newly elected Board of Directors of Tinexta S.p.A. has appointed Pier Andrea Chevallard as Chief Executive Officer and Riccardo Ranalli as Deputy Chairman;
    - appointed the Board of Statutory Auditors, consisting of three standing auditors and two alternate auditors, and determined their remuneration;
    - approved the *2021-2023 Stock Option Plan* in favour of executive directors and executives with strategic responsibilities and other management figures of Tinexta and other Tinexta Group companies. The Plan is intended to award the beneficiaries a maximum total amount of 300,000 options that give the right to buy and, if appropriate, possibly subscribe to, ordinary shares of the Company in the ratio of one share for each option exercised;
    - granted the Board of Directors the power to increase the share capital, also in divisible form (in one or more tranches) with or without warrants and also to service the exercise of warrants, no later than 26 April 2026, by a maximum of €100 million including share premium, in compliance with the option right pursuant to Article 2441 of the Italian Civil Code, or also with the exclusion of the option right pursuant to Article 2441, paragraphs 4 and 5, of the Italian Civil Code.
- On **16 June 2021**, the Deed of Merger by incorporation of Payotik Srl into Corvallis Srl was signed: the actual effects of the merger took place from the last of the registrations, which took place on 21 June 2021. The accounting and tax effects apply retroactively from 1 January 2021.
- On **23 June 2021**, the Board of Directors of Tinexta S.p.A. resolved to allocate options in execution of the stock option-based incentive scheme known as the "2021-2023 Stock Option Plan", as approved by the Shareholders' Meeting on 27 April 2021. Details can be found in the paragraph **2021-2023 Stock Option Plan**.

## DEFINITION OF “NON-GAAP” ALTERNATIVE PERFORMANCE INDICATORS

Tinexta management evaluates the performance of the Group and of the business segments also on the basis of a number of indicators not envisaged by the IFRS.
With regard to said indicators, on 3 December 2015, CONSOB issued Communication no. 0092543/15, authorising application of the Guidelines issued on 5 October 2015 by the European Securities and Markets Authority (ESMA/2015/1415), regarding their presentation in the regulated information disclosed or in the statements published starting from 3 July 2016. These guidelines are intended to promote the usefulness and transparency of the alternative performance indicators included in the regulated information or in the statements falling within the scope of application of Directive 2003/71/EC, in order to improve their comparability, reliability and comprehensibility, when such indicators are not defined or envisaged by the financial reporting framework. The criteria used to calculate these indicators are provided below, in line with the aforementioned communications.

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

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

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

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

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

***Adjusted* net profit**: is calculated as “Net profit” before the non-recurring components, before the cost relating to the Stock Option Plans, before the amortisation of Other intangible assets that emerged at the time of allocation of the price paid in Business Combinations, and before the adjustment of liabilities for contingent considerations related to the acquisitions, net of the related tax effects. This indicator reflects the Group’s economic performance, net of non-recurring factors that are not directly attributable to the activities and operation of its core business.

***Adjusted* earnings per share**: obtained from the ratio of *Adjusted net profit* and the weighted average number of ordinary shares outstanding during the period.

**Total financial indebtedness (**also **net financial indebtedness):** is calculated in accordance with CONSOB Communication no. 6064293 of 28 July 2006 and in compliance with the Warning Notice No. 5/21 issued by CONSOB on 29 April 2021 with reference to the Guideline ESMA32-382-1138 dated 4 March 2021, by subtracting from “Cash and cash equivalents”, “Other current financial assets” and “Current derivative financial instruments”, the “Current financial liabilities”, “Derivative liabilities” and “Non-current financial liabilities”.

**Total adjusted financial indebtedness**: is calculated by adding to the *Total financial indebtedness* the amount of the “Non-current derivative financial instruments” and “Other non-current financial assets”.

***Free Cash Flow***: represents the cash flow available for the Group and is the difference between the cash flow from operating activities and the cash flow from investments in fixed capital. It is equal to the difference between "Net cash and cash equivalents generated by operations" and the sum of "Investments in property, plant and equipment" and "Investments in intangible assets" included in the Statement of Cash Flows.

**Net non-current assets**: this is the algebraic sum of:

- "Property, plant and equipment";
- "Intangible assets and goodwill";
- "Investment property";
- "Equity-accounted investments";
- "Other investments";
- "Non-current financial assets".

**Net working capital**: this is the algebraic sum of:
+ "Inventories";
+ "Trade and other current receivables";
+ "Contract assets";
+ "Contract cost assets";
+ "Current and deferred tax assets";
- Current and non-current "Trade and other payables";
- "Contract liabilities and deferred income";
- "Current and deferred tax liabilities".

**Total net working capital and provisions**: this is the algebraic sum of:
+ "Net working capital" as determined above;
- Current and non-current "Provisions";
- Current and non-current "Employee benefits".

**Net invested capital**: is the algebraic sum of Net non-current assets, Total net working capital and provisions" and "Assets (Liabilities) held for sale".

## SUMMARY OF RESULTS FOR THE FIRST HALF OF 2021

The Group closed in the first half of 2021 with Revenues of €177,813 thousand. EBITDA amounted to €40,270 thousand, equal to 22.6% of Revenues. Operating profit and Net profit amounted to €26,403 thousand and €20,641 thousand, respectively, equal to 14.8% and 11.6% of Revenues.

| Condensed Consolidated Income Statement *(€ '000)* | 1st half 2021 | % | 1st half 2020[3] | % | Change | % change |
|---|---|---|---|---|---|---|
| Revenues | 177,813 | *100.0%* | 123,817 | *100.0%* | 53,996 | *43.6%* |
| EBITDA *before Stock Options* | 41,173 | *23.2%* | 34,451 | *27.8%* | 6,722 | *19.5%* |
| EBITDA | 40,270 | *22.6%* | 34,412 | *27.8%* | 5,858 | *17.0%* |
| Operating Profit | 26,403 | *14.8%* | 21,576 | *17.4%* | 4,827 | *22.4%* |
| Net profit | 20,641 | *11.6%* | 15,936 | *12.9%* | 4,706 | *29.5%* |

Revenues increased by €53,996 thousand compared to the first half of 2020 (43.6%), and EBITDA by €5,858 thousand (17.0%), Operating profit was also up by €4,827 thousand (22.4%), and Net profit by €4,706 thousand (29.5%).

The results for the period include contributions from the acquisitions: Corvallis S.r.l., Yoroi S.r.l., Queryo Advance S.r.l. (consolidated from 1 January 2021), Swascan S.r.l. (consolidated from 1 October 2020),

[3] The comparative data for the first six months of 2020 were re-stated in relation to the completion, in the fourth quarter of 2020, of identification of the fair values of the assets and liabilities of PrivacyLab S.r.l., consolidated on a line-by-line basis from 1 January 2020.

Euroquality S.A.S. and Europroject O.O.D. (consolidated from 31 December 2020), Trix S.r.l. (established at the end of December 2020), and Tinexta Cyber S.p.A. (established in January 2021). The contributions from these companies are shown below as a change in the scope of consolidation.

Income Statement for the first half of 2021 compared with the same period of the previous year:

| Consolidated Income Statement (€ '000) | 1st half 2021 | % | 1st half 2020 | % | Change | % change |
|---|---|---|---|---|---|---|
| **Revenues** | **177,813** | **100.0%** | **123,817** | **100.0%** | **53,996** | **43.6%** |
| **Total Operating Costs*** | **136,640** | **76.8%** | **89,366** | **72.2%** | **47,274** | **52.9%** |
| Costs of raw materials | 5,970 | 3.4% | 4,515 | 3.6% | 1,456 | 32.2% |
| Service costs | 56,111 | 31.6% | 39,905 | 32.2% | 16,207 | 40.6% |
| Personnel costs* | 69,550 | 39.1% | 40,201 | 32.5% | 29,349 | 73.0% |
| Contract costs | 4,050 | 2.3% | 3,831 | 3.1% | 219 | 5.7% |
| Other operating costs | 958 | 0.5% | 915 | 0.7% | 44 | 4.8% |
| **EBITDA before Stock Options** | **41,173** | **23.2%** | **34,451** | **27.8%** | **6,722** | **19.5%** |
| Stock Option cost | 903 | 0.5% | 39 | 0.0% | 864 | 2240.1% |
| **EBITDA** | **40,270** | **22.6%** | **34,412** | **27.8%** | **5,858** | **17.0%** |
| ***Adjusted* EBITDA**** | **42,287** | **23.8%** | **34,903** | **28.2%** | **7,385** | **21.2%** |
| Amortisation and depreciation | 12,754 | 7.2% | 10,598 | 8.6% | 2,155 | 20.3% |
| Provisions | 444 | 0.2% | 360 | 0.3% | 84 | 23.2% |
| Impairment | 670 | 0.4% | 1,878 | 1.5% | -1,207 | -64.3% |
| **Operating profit** | **26,403** | **14.8%** | **21,576** | **17.4%** | **4,827** | **22.4%** |
| Financial income | 83 | 0.0% | 951 | 0.8% | -868 | -91.3% |
| Financial charges | 1,877 | 1.1% | 1,370 | 1.1% | 506 | 37.0% |
| **Net financial charges** | **1,794** | **1.0%** | **419** | **0.3%** | **1,374** | **327.7%** |
| Profit of equity-accounted investments | -180 | -0.1% | 91 | 0.1% | -271 | -297.5% |
| **Profit before tax** | **24,429** | **13.7%** | **21,248** | **17.2%** | **3,181** | **15.0%** |
| Income taxes | 3,787 | 2.1% | 5,312 | 4.3% | -1,525 | -28.7% |
| **Net profit** | **20,641** | **11.6%** | **15,936** | **12.9%** | **4,706** | **29.5%** |
| ***of which minority interests*** | ***281*** | ***0.2%*** | ***201*** | **0.2%** | **80** | **39.9%** |

* *Personnel costs* are recognised net of the Stock Option cost, shown below, in order to better understand the composition of EBITDA before the Stock Options.

** With regard to the construction of *adjusted* EBITDA, reference should be made to the next paragraph **Adjusted Group Results**. The *adjusted* EBITDA margin is calculated in relation to the *adjusted* revenues.

**Revenues** increased from €123,817 thousand in the first half of 2020 to €177,813 thousand in the first half of 2021, with a growth of €53,996 thousand or 43.6%. The increase in Revenues attributable to the change in the scope of consolidation was 31.0% (€38,398 thousand), while organic growth was 12.6% (€15,597 thousand).

**Operating costs** before *Stock Options* increased from €89,366 thousand in the first half of 2020 to €136,640 thousand in the first half of 2021, an increase of €47,274 thousand (52.9%). The increase in Operating costs attributable to the change in the scope of consolidation was 37.3% (€33,352 thousand), while the remaining 15.6% is due to organic growth (€13,922 thousand).

**EBITDA *before Stock Options*** rose from €34,451 thousand in the first half of 2020 to €41,173 thousand in the first half of 2021, with an increase of €6,722 thousand, or 19.5%. The increase in EBITDA *before Stock Options* attributable to organic growth is 4.9% (€1,675 thousand), while the change in the scope of consolidation accounts for 14.6% (€5,046 thousand).

At 30 June 2021, costs for €889 thousand relating to the 2020-2022 Stock Option Plan and costs for €13 thousand relating to the 2021-2023 Stock Option Plan were set aside. Details can be found in the paragraphs **2020-2022 Stock Option Plan** and **2021-2023 Stock Option Plan**.

***Adjusted* EBITDA** rose from €34,903 thousand in the first half of 2020 to €42,287 thousand in the first half of 2021, with an increase of €7,385 thousand, or 21.2%. The increase in *adjusted* EBITDA attributable to organic growth was 6.1% (€2,138 thousand), the change in the scope of consolidation was 15.0% (€5,247 thousand).

The item **Amortisation and depreciation, impairment and provisions**, for €13,867 thousand (€12,836 thousand in the same period in 2020) includes €2,651 thousand in amortisation of Other intangible assets arising upon allocation of the price paid in Business Combinations (€2,987 thousand in the first half of 2020), mainly relating to Warrant Hub, Visura, Innolva. The increase in this item is substantially attributable to amortisation of *Intangible assets* (+ €1,265 thousand), in particular Databases and Software, and depreciation of *Property, plant and equipment* (+ €890 thousand) partially offset by lower *Impairment of trade receivables* (- €1,207 thousand). *Provisions for risks* increased by €84 thousand.

**Net financial income** totalled €1,794 thousand for the first half of 2021, compared to Net financial charges of €419 thousand in the same period in 2020. The increase in net financial charges is affected by the non-recurring income recognized in the first half of 2020 for the renegotiation of loans amounting to €710 thousand. The further increase in financial charges can be attributed to the increase in bank debt to support the acquisitions made.

**Income taxes**, calculated based on the tax rates envisaged for the year by the current tax laws, amounted to €3,787 thousand (€5,312 thousand in the first half of 2020). The *tax rate* was 15.5% (25.0% in the first quarter of 2020) due to a non-recurring tax income of €3,401 thousand arising from the redemption of statutory/fiscal value differentials, as well as from a gain of €816 thousand, deriving from the rebate of the first 2020 IRAP advance recognised by virtue of the extension of the ceiling to the benefit envisaged by Italian Law Decree 41/2021, referred to as "Decreto Sostegni" (Support Decree). Also the first half of 2020 had benefited from non-recurring tax income equal to €1,090 thousand.

**Net profit** for the first half of 2021 amounted to €20,641 thousand (of which €281 thousand from minority interests) compared to €15,936 thousand in the first half of 2020.

## *Adjusted Group Results*

*Adjusted* income statement results calculated gross of non-recurring components, of the cost relating to Stock Option Plans, of the amortisation of Other intangible assets emerging at the time of allocation of the price paid in the *business combinations* and of the adjustment of liabilities for contingent consideration linked to acquisitions, net of the related tax effects. These indicators reflect the Group's economic performance, net of non-recurring factors not strictly related to the activities and management of the "core business".

| ***Adjusted* Income Statement *(€ '000)*** | **1st half 2021** | **%** | **1st half 2020** | **%** | **Change** | **% change** |
|---|---|---|---|---|---|---|
| *Adjusted* revenues | 177,813 | *100.0%* | 123,743 | *100.0%* | 54,070 | *43.7%* |
| *Adjusted* EBITDA | 42,287 | *23.8%* | 34,903 | *28.2%* | 7,385 | *21.2%* |
| *Adjusted* operating profit | 31,071 | *17.5%* | 25,053 | *20.2%* | 6,018 | *24.0%* |
| *Adjusted* net profit | 20,426 | *11.5%* | 16,667 | *13.5%* | 3,759 | *22.6%* |

Compared to the first half of 2020, the *adjusted* results showed an increase of 43.7% in Revenues, 21.2% in EBITDA, 24.0% in Operating profit and 22.6% in Net profit.

### *Non-recurring components*

Over the course of the first half of 2021, *Non-recurring operating costs* of €1,115 thousand were recognised for acquisitions of target companies.

*Non-recurring income taxes* includes non-recurring income of €4,317 thousand referring:

- for €3,401 thousand to the redemption of statutory/fiscal value differentials;

- for €816 thousand to the rebate of the first advance payment of IRAP 2020 recognised by virtue of the extension of the ceiling to the benefit provided by Italian Decree Law 41/2021 known as "Decreto Sostegni";
- for €100 thousand to the tax effect on the non-recurring components of the profit before tax.

In the first half of 2020, the following was recorded: *Non-recurring revenues* for €74 thousand, *Non-recurring operating costs* for €526 thousand, *Non-recurring financial income* for €710 thousand and income in *Non-recurring taxes* for €1,018 thousand.

### *Stock Option cost*

The costs recognised in the period, amounting to €903 thousand, refer to the 2020-2022 Stock Option Plan as detailed in paragraph **2020-2022 Stock Option Plan** for €889 thousand and to **the 2021-2023 Stock Option Plan** as detailed in the paragraph **2021-2023 Stock Option Plan** for €13 thousand.

### *Amortisation of Other intangible assets from Business Combinations*

The amortisation of *Other intangible assets* that emerged at the time of the allocation of the price paid in *Business Combinations* came to €2,651 thousand (€2,987 thousand in the same period of the previous year).

### *Adjustment of the contingent considerations connected to acquisitions*

Adjustments of the contingent considerations connected to acquisitions entailed the recognition of *Net financial charges* for €20 thousand (€161 thousand in Financial income in the same period of the previous year).

Method of calculation of the *adjusted* economic indicators:

| **Calculation of adjusted economic results** *(€ '000)* | **EBITDA** 1st half 2021 | **EBITDA** 1st half 2020 | **Operating profit** 1st half 2021 | **Operating profit** 1st half 2020 | **Net profit** 1st half 2021 | **Net profit** 1st half 2020 |
|---|---|---|---|---|---|---|
| **Income statement results *reported*** | **40,270** | **34,412** | **26,403** | **21,576** | **20,641** | **15,936** |
| Provisions for Stock Options | 903 | 39 | 903 | 39 | 903 | 39 |
| ***EBITDA before Stock Options*** | **41,173** | **34,451** | | | | |
| Non-recurring revenues | 0 | -74 | 0 | -74 | 0 | -74 |
| Non-recurring service costs | 1,115 | 526 | 1,115 | 526 | 1,115 | 526 |
| Amortisation of Other intangible assets from business combinations | | | 2,651 | 2,987 | 2,651 | 2,987 |
| Non-recurring financial income | | | | | 0 | -710 |
| Adjustment of contingent consideration | | | | | 20 | -161 |
| Tax effect on adjustments | | | | | -686 | -785 |
| Non-recurring taxes | | | | | -4,217 | -1,090 |
| ***Adjusted* income statement results** | **42,287** | **34,903** | **31,071** | **25,053** | **20,426** | **16,667** |

## Results by business segment

| Condensed Income Statement by business segment | 1st half 2021 | % EBITDA 1st half 2021 | 1st half 2020 | % EBITDA 1st half 2020 | Change | % change | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Total | Organic | Scope of consolidation |
| **Revenues** | | | | | | | | |
| Digital Trust | 63,618 | | 55,433 | | 8,185 | 14.8% | 14.8% | 0.0% |
| Cybersecurity | 34,623 | | 0 | | 34,623 | n.a. | 0.0% | n.a. |
| Credit Information & Management | 38,706 | | 35,273 | | 3,433 | 9.7% | 9.7% | 0.0% |
| Innovation & Marketing Services | 41,664 | | 33,700 | | 7,964 | 23.6% | 11.7% | 12.0% |
| Other segments (Parent Company) | 1,178 | | 1,060 | | 118 | 11.2% | 11.2% | 0.0% |
| Intra-segment | -1,975 | | -1,648 | | -327 | 19.8% | 4.3% | 15.5% |
| **Total Revenues** | **177,813** | | **123,817** | | **53,996** | **43.6%** | **12.6%** | **31.0%** |
| **EBITDA** | | | | | | | | |
| Digital Trust | 14,840 | 23.3% | 13,998 | 25.3% | 842 | 6.0% | 6.0% | 0.0% |
| Cybersecurity | 3,353 | 9.7% | 0 | n.a. | 3,353 | n.a. | n.a. | n.a. |
| Credit Information & Management | 10,954 | 28.3% | 10,155 | 28.8% | 799 | 7.9% | 7.9% | 0.0% |
| Innovation & Marketing Services | 16,734 | 40.2% | 14,726 | 43.7% | 2,008 | 13.6% | 2.2% | 11.4% |
| Other segments (Parent Company) | -5,612 | n.a. | -4,467 | n.a. | -1,145 | -25.6% | -25.6% | 0.0% |
| **Total EBITDA** | **40,270** | **22.6%** | **34,412** | **27.8%** | **5,858** | **17.0%** | **2.4%** | **14.6%** |

*Adjusted* income statement results by business segment:

| Adjusted *condensed* Income Statement by business segment | 1st half 2021 | % EBITDA 1st half 2021 | 1st half 2020 | % EBITDA 1st half 2020 | Change | % change | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Total | Organic | Scope of consolidation |
| **Revenues** | | | | | | | | |
| Digital Trust | 63,618 | | 55,359 | | 8,259 | 14.9% | 14.9% | 0.0% |
| Cybersecurity | 34,623 | | 0 | | 34,623 | n.a. | 0.0% | n.a. |
| Credit Information & Management | 38,706 | | 35,273 | | 3,433 | 9.7% | 9.7% | 0.0% |
| Innovation & Marketing Services | 41,664 | | 33,700 | | 7,964 | 23.6% | 11.7% | 12.0% |
| Other segments (Parent Company) | 1,178 | | 1,060 | | 118 | 11.2% | 11.2% | 0.0% |
| Intra-segment | -1,975 | | -1,648 | | -327 | 19.8% | 4.3% | 15.5% |
| **Total *adjusted* revenues** | **177,813** | | **123,743** | | **54,070** | **43.7%** | **12.7%** | **31.0%** |
| **EBITDA** | | | | | | | | |
| Digital Trust | 15,604 | 24.5% | 13,962 | 25.2% | 1,642 | 11.8% | 11.8% | 0.0% |
| Cybersecurity | 3,487 | 10.1% | 0 | n.a. | 3,487 | n.a. | 0.0% | n.a. |
| Credit Information & Management | 11,424 | 29.5% | 10,155 | 28.8% | 1,269 | 12.5% | 12.5% | 0.0% |
| Innovation & Marketing Services | 17,133 | 41.1% | 14,952 | 44.4% | 2,181 | 14.6% | 2.8% | 11.8% |
| Other segments (Parent Company) | -5,360 | n.a. | -4,167 | n.a. | -1,194 | -28.6% | -28.6% | 0.0% |
| **Total *adjusted* EBITDA** | **42,287** | **23.8%** | **34,903** | **28.2%** | **7,385** | **21.2%** | **6.1%** | **15.0%** |

### *Digital Trust*

*Adjusted* revenues from the *Digital Trust* segment amounted to €63,618 thousand. The increase compared to the first half of 2020 is equal to 14.9%, in absolute terms to €8,259 thousand. During the first half of 2021, the growth in demand for digital and dematerialization services continued, supporting both the growth of standard products such as Certified Electronic Mail (*Legalmail*) and Digital Signature (*LegalCert*) with an increase of *Off the Shelf* revenues (*Telematic Trust Solutions*). The growth of the SPID (Public Digital Identity System) product continues. Revenues from *Enterprise Solutions* increased also due to both the consolidation of existing projects and the acquisition of new commercial initiatives. The Group continues to develop its *digital onboarding* offering, which enables it to guarantee its customers remote business continuity with high standards of security and functionality.

*Adjusted* EBITDA for the segment was €15,604 thousand. The increase compared to the first half of 2020 is 11.8%, €1,642 thousand in absolute terms. In percentage terms, the EBITDA margin is 24.5% compared to 25.2% in the first half of 2020.

### *Cybersecurity*

*Adjusted* revenues of the *Cybersecurity* segment amounted to €34,623 thousand, while *adjusted* EBITDA was €3,487 thousand. The EBITDA margin was 10.1%. The results achieved by the BU in the first half of 2021 are in line with expectations, in terms of the level of business volume developed and the profit margins. The BU is developing both initiatives linked to project activities and the supply of dedicated services. It is also beginning to gather the market opportunities offered in a context of ever greater integration between both the BU companies and the Group companies.

### *Credit Information & Management*

In the *Credit Information & Management* segment, *adjusted* revenues amounted to €38,706 thousand, with an increase of 9.7% compared to the first half of 2020, equal in absolute terms to €3,433 thousand, due to the resumption of real estate appraisal services and the increase in Business Information activities, which have overcome the 2020 contraction caused by the health emergency. The number of cases managed in relation to access to the Central Guarantee Fund remained high during the first half of 2021, recording a small contraction compared to the same figure of 2020.

*Adjusted* EBITDA stood at €11,424 thousand, a 12.5% increase compared to the same period of the previous year. In percentage terms, the EBITDA *margin* is 29.5% compared to 28.8% in the first half of 2020.

### *Innovation & Marketing Services*

*Adjusted* revenues of the *Innovation & Marketing Services* segment amounted to €41,664 thousand, with an increase of 23.6% compared to the first half of 2020, or €7,964 thousand in absolute terms, 11.7% to be attributed to the organic growth and for the remaining part by the change in the scope of consolidation (12.0%), due to the consolidation from 1 January 2021 of Euroquality S.A.S., Europroject O.O.D., Queryo Advance S.r.l. and Trix S.r.l. The companies in the BU developed innovative services and products, increasing the business volume generated through an increase in cases managed and the acquisition of new customers, with a resumption of internationalisation services, an increase in innovation consultancy services as well as the launch of activities related to Digital Marketing consultancy.

*Adjusted* EBITDA for the segment was €17,133 thousand. The increase over the EBITDA for first half 2020 amounts to 14.6%. The growth due to the change in the scope of consolidation was 11.8%, while organic growth accounted for 2.8%. In percentage terms, the EBITDA margin equalled 41.1%, down from the first half of 2020 (44.4%).

## SUMMARY OF RESULTS FOR THE SECOND QUARTER OF 2021

The Group closed the second quarter of 2021 with Revenues equal to €95,147 thousand. EBITDA amounted to €23,919 thousand, equal to 25.1% of Revenues. Operating profit and Net profit amounted to €16,876 thousand and €13,819 thousand, respectively, equal to 17.7% and 14.5% of Revenues.

| **Condensed Consolidated Income Statement *(€ '000)*** | **2nd quarter 2021** | **%** | **2nd quarter 2020[4]** | **%** | **Change** | **% change** |
|---|---|---|---|---|---|---|
| Revenues | 95,147 | *100.0%* | 68,906 | *100.0%* | 26,241 | *38.1%* |
| EBITDA before Stock Options | 24,396 | *25.6%* | 23,535 | *34.2%* | 861 | *3.7%* |
| EBITDA | 23,919 | *25.1%* | 23,496 | *34.1%* | 423 | *1.8%* |
| *Adjusted* EBITDA | 25,293 | *26.6%* | 23,904 | *34.7%* | 1,390 | *5.8%* |
| Operating profit | 16,876 | *17.7%* | 16,934 | *24.6%* | -58 | *-0.3%* |
| Net profit | 13,819 | *14.5%* | 13,045 | *18.9%* | 774 | *5.9%* |

Revenues increased by €26,241 thousand compared to the second quarter of 2020 (38.1%), and EBITDA by €423 thousand (1.8%); Operating profit was down by €58 thousand (-0.3%), while Net profit was up by €774 thousand (5.9%).

The results for the period include contributions from the acquisitions: Corvallis S.r.l., Yoroi S.r.l., Queryo Advance S.r.l. (consolidated from 1 January 2021), Swascan S.r.l. (consolidated from 1 October 2020), Euroquality S.A.S. and Europroject O.O.D. (consolidated from 31 December 2020), Trix S.r.l. (established at the end of December 2020), and Tinexta Cyber S.p.A. (established in January 2021). The contributions from these companies are shown below as a change in the scope of consolidation.

Income Statement for the second quarter of 2021 compared with the same period of the previous year:

| **Consolidated Income Statement (€ '000)** | **2nd quarter 2021** | **%** | **2nd quarter 2020** | **%** | **Change** | **% change** |
|---|---|---|---|---|---|---|
| **Revenues** | **95,147** | **100.0%** | **68,906** | **100.0%** | **26,241** | **38.1%** |
| **Total Operating Costs*** | **70,751** | **74.4%** | **45,371** | **65.8%** | **25,380** | **55.9%** |
| Costs of raw materials | 2,802 | 2.9% | 2,639 | 3.8% | 163 | 6.2% |
| Service costs | 29,558 | 31.1% | 20,350 | 29.5% | 9,208 | 45.2% |
| Personnel costs* | 35,690 | 37.5% | 19,966 | 29.0% | 15,724 | 78.7% |
| Contract costs | 2,154 | 2.3% | 1,945 | 2.8% | 209 | 10.8% |
| Other operating costs | 547 | 0.6% | 471 | 0.7% | 76 | 16.2% |
| **EBITDA before Stock Options** | **24,396** | **25.6%** | **23,535** | **34.2%** | **861** | **3.7%** |
| Stock Option cost | 476 | 0.5% | 39 | 0.1% | 438 | 1135.3% |
| **EBITDA** | **23,919** | **25.1%** | **23,496** | **34.1%** | **423** | **1.8%** |
| ***Adjusted* EBITDA**** | **25,293** | **26.6%** | **23,904** | **34.7%** | **1,390** | **5.8%** |
| Amortisation and depreciation | 6,500 | 6.8% | 5,436 | 7.9% | 1,064 | 19.6% |
| Provisions | 111 | 0.1% | 122 | 0.2% | -11 | -9.2% |
| Impairment | 432 | 0.5% | 1,005 | 1.5% | -572 | -57.0% |
| **Operating profit** | **16,876** | **17.7%** | **16,934** | **24.6%** | **-58** | **-0.3%** |
| Financial income | 27 | 0.0% | 747 | 1.1% | -720 | -96.3% |
| Financial charges | 959 | 1.0% | 684 | 1.0% | 275 | 40.2% |
| **Net financial charges** | **931** | **1.0%** | **-64** | **-0.1%** | **995** | **-1565.2%** |
| Profit of equity-accounted investments | -180 | -0.2% | 77 | 0.1% | -257 | -333.3% |
| **Profit before tax** | **15,765** | **16.6%** | **17,074** | **24.8%** | **-1,309** | **-7.7%** |
| Income taxes | 1,945 | 2.0% | 4,029 | 5.8% | -2,083 | -51.7% |
| **Net profit** | **13,819** | **14.5%** | **13,045** | **18.9%** | **774** | **5.9%** |
| ***of which minority interests*** | ***154*** | ***0.1%*** | ***184*** | **0.1%** | **-30** | **-16.3%** |

* *Personnel costs* are recognised net of the Stock Option cost, shown below, in order to better understand the composition of EBITDA before the Stock Options.

** With regard to the construction of *adjusted* EBITDA, reference should be made to the next paragraph **Adjusted Group Results**. The *adjusted* EBITDA margin is calculated in relation to the *adjusted* revenues.

[4] The comparative data for the second quarter of 2020 were re-stated in relation to the completion, in the fourth quarter of 2020, of identification of the fair values of the assets and liabilities of PrivacyLab S.r.l., consolidated on a line-by-line basis from 1 January 2020.

### *Adjusted* Group Results

*Adjusted* income statement results calculated gross of non-recurring components, of the cost relating to Stock Option Plans, of the amortisation of Other intangible assets emerging at the time of allocation of the price paid in the *business combinations* and of the adjustment of liabilities for contingent consideration linked to acquisitions, net of the related tax effects. These indicators reflect the Group's economic performance, net of non-recurring factors not strictly related to the activities and management of the "core business".

| *Adjusted* Income Statement (€ '000) | 2nd quarter 2021 | % | 2nd quarter 2020 | % | Change | % change |
|---|---|---|---|---|---|---|
| *Adjusted* revenues | 95,147 | *100.0%* | 68,832 | *100.0%* | 26,315 | *38.2%* |
| *Adjusted* EBITDA | 25,293 | *26.6%* | 23,904 | *34.7%* | 1,390 | *5.8%* |
| *Adjusted* operating profit | 19,575 | *20.6%* | 18,835 | *27.4%* | 741 | *3.9%* |
| *Adjusted* net profit | 13,047 | *13.7%* | 12,789 | *18.6%* | 257 | *2.0%* |

Compared to the second quarter 2020, the *adjusted* results showed an increase of 38.2% in Revenues, 5.8% in EBITDA, 3.9% in Operating profit and 2.0% in Net profit.

Method of calculation of the *adjusted* economic indicators:

| Calculation of adjusted economic results (€ '000) | EBITDA | | Operating profit | | Net profit | |
|---|---|---|---|---|---|---|
| | 2nd quarter 2021 | 2nd quarter 2020 | 2nd quarter 2021 | 2nd quarter 2020 | 2nd quarter 2021 | 2nd quarter 2020 |
| **Income statement results *reported*** | **23,919** | **23,496** | **16,876** | **16,934** | **13,819** | **13,045** |
| Provisions for Stock Options | 476 | 39 | 476 | 39 | 476 | 39 |
| ***EBITDA before Stock Options*** | **24,396** | **23,535** | | | | |
| Non-recurring revenues | 0 | -74 | 0 | -74 | 0 | -74 |
| Non-recurring service costs | 897 | 443 | 897 | 443 | 897 | 443 |
| Amortisation of Other intangible assets from business combinations | | | 1,326 | 1,493 | 1,326 | 1,493 |
| Non-recurring financial income | | | | | 0 | -710 |
| Adjustment of contingent consideration | | | | | 36 | 0 |
| Tax effect on adjustments | | | | | -205 | -357 |
| Non-recurring taxes | | | | | -3,303 | -1,090 |
| ***Adjusted* income statement results** | **25,293** | **23,904** | **19,575** | **18,835** | **13,047** | **12,789** |

## Results by business segment

| Condensed Income Statement by business segment | 2nd quarter 2021 | % EBITDA 2nd quarter 2021 | 2nd quarter 2020 | % EBITDA 2nd quarter 2020 | Change | % change | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Total | Organic | Scope of consolidation |
| **Revenues** | | | | | | | | |
| Digital Trust | 32,438 | | 29,322 | | 3,116 | 10.6% | 10.6% | 0.0% |
| Cybersecurity | 17,837 | | 0 | | 17,837 | n.a. | 0.0% | n.a. |
| Credit Information & Management | 19,837 | | 18,221 | | 1,616 | 8.9% | 8.9% | 0.0% |
| Innovation & Marketing Services | 25,519 | | 21,706 | | 3,813 | 17.6% | 5.2% | 12.4% |
| Other segments (Parent Company) | 609 | | 535 | | 74 | 13.9% | 13.9% | 0.0% |
| Intra-segment | -1,093 | | -878 | | -215 | 24.5% | -2.8% | 27.3% |
| **Total Revenues** | **95,147** | | **68,906** | | **26,241** | **38.1%** | **8.6%** | **29.4%** |
| **EBITDA** | | | | | | | | |
| Digital Trust | 7,810 | 24.1% | 8,079 | 27.6% | -269 | -3.3% | -3.3% | 0.0% |
| Cybersecurity | 1,536 | 8.6% | 0 | n.a. | 1,536 | n.a. | 0.0% | n.a. |
| Credit Information & Management | 5,736 | 28.9% | 6,572 | 36.1% | -836 | -12.7% | -12.7% | 0.0% |
| Innovation & Marketing Services | 11,961 | 46.9% | 11,394 | 52.5% | 566 | 5.0% | -7.1% | 12.0% |
| Other segments (Parent Company) | -3,124 | n.a. | -2,549 | n.a. | -576 | -22.6% | -22.6% | 0.0% |
| **Total EBITDA** | **23,919** | **25.1%** | **23,496** | **34.1%** | **423** | **1.8%** | **-10.6%** | **12.4%** |

*Adjusted* income statement results by business segment:

| *Adjusted* condensed Income Statement by business segment | 2nd quarter 2021 | % EBITDA 2nd quarter 2021 | 2nd quarter 2020 | % EBITDA 2nd quarter 2020 | Change | % change | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Total | Organic | Scope of consolidation |
| **Revenues** | | | | | | | | |
| Digital Trust | 32,438 | | 29,248 | | 3,190 | 10.9% | 10.9% | 0.0% |
| Cybersecurity | 17,837 | | 0 | | 17,837 | n.a. | 0.0% | n.a. |
| Credit Information & Management | 19,837 | | 18,221 | | 1,616 | 8.9% | 8.9% | 0.0% |
| Innovation & Marketing Services | 25,519 | | 21,706 | | 3,813 | 17.6% | 5.2% | 12.4% |
| Other segments (Parent Company) | 609 | | 535 | | 74 | 13.9% | 13.9% | 0.0% |
| Intra-segment | -1,093 | | -878 | | -215 | 24.5% | -2.8% | 27.3% |
| **Total *adjusted* revenues** | **95,147** | | **68,832** | | **26,315** | **38.2%** | **8.8%** | **29.5%** |
| **EBITDA** | | | | | | | | |
| Digital Trust | 8,439 | 26.0% | 8,043 | 27.5% | 396 | 4.9% | 4.9% | 0.0% |
| Cybersecurity | 1,553 | 8.7% | 0 | n.a. | 1,553 | n.a. | 0.0% | n.a. |
| Credit Information & Management | 6,144 | 31.0% | 6,572 | 36.1% | -427 | -6.5% | -6.5% | 0.0% |
| Innovation & Marketing Services | 12,139 | 47.6% | 11,556 | 53.2% | 583 | 5.0% | -6.9% | 12.0% |
| Other segments (Parent Company) | -2,982 | n.a. | -2,267 | n.a. | -715 | -31.5% | -31.5% | 0.0% |
| **Total *adjusted* EBITDA** | **25,293** | **26.6%** | **23,904** | **34.7%** | **1,389** | **5.8%** | **-6.5%** | **12.3%** |

## FINANCIAL POSITION OF THE GROUP

The Group's financial position at 30 June 2021 compared with 31 December 2020 and 30 June 2020:

| | | | Comparison at 31 December 2020 | | | | Comparison at 30 June 2020 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **€ '000** | **30/06 2021** | **%** | **31/12 2020** | **%** | **Δ** | **% Δ** | **30/06 2020** | **%** | **Δ** | **% Δ** |
| Intangible assets | 69,756 | 18.8% | 70,070 | 26.4% | -314 | -0.4% | 70,638 | 26.3% | -882 | -1.2% |
| Goodwill | 321,072 | 86.4% | 215,036 | 80.9% | 106,036 | 49.3% | 199,553 | 74.4% | 121,519 | 60.9% |
| Tangible fixed assets | 6,279 | 1.7% | 5,977 | 2.2% | 302 | 5.1% | 5,122 | 1.9% | 1,157 | 22.6% |
| Leased tangible fixed assets | 17,781 | 4.8% | 13,736 | 5.2% | 4,045 | 29.4% | 14,158 | 5.3% | 3,622 | 25.6% |
| Financial assets | 7,253 | 2.0% | 7,148 | 2.7% | 106 | 1.5% | 12,750 | 4.8% | -5,497 | -43.1% |
| **Net non-current assets** | **422,141** | **113.6%** | **311,967** | **117.4%** | **110,175** | **35.3%** | **302,222** | **112.7%** | **119,920** | **39.7%** |
| Inventories | 1,070 | 0.3% | 1,154 | 0.4% | -85 | -7.3% | 1,197 | 0.4% | -128 | -10.7% |
| Trade receivables | 78,996 | 21.3% | 75,829 | 28.5% | 3,167 | 4.2% | 79,818 | 29.8% | -822 | -1.0% |
| Contract assets | 19,691 | 5.3% | 9,231 | 3.5% | 10,459 | 113.3% | 4,579 | 1.7% | 15,112 | 330.1% |
| Contract cost assets | 6,843 | 1.8% | 6,481 | 2.4% | 362 | 5.6% | 6,157 | 2.3% | 686 | 11.1% |
| Trade payables | -41,893 | -11.3% | -34,580 | -13.0% | -7,313 | 21.1% | -27,659 | -10.3% | -14,234 | 51.5% |
| Contract liabilities and deferred income | -72,729 | -19.6% | -59,229 | -22.3% | -13,500 | 22.8% | -54,744 | -20.4% | -17,986 | 32.9% |
| *of which current* | *-56,899* | -15.3% | *-48,264* | -18.2% | -8,635 | 17.9% | *-45,517* | -17.0% | -11,382 | 25.0% |
| *of which non-current* | *-15,830* | -4.3% | *-10,965* | -4.1% | -4,865 | 44.4% | *-9,226* | -3.4% | -6,604 | 71.6% |
| Payables to employees | -18,456 | -5.0% | -12,011 | -4.5% | -6,445 | 53.7% | -8,901 | -3.3% | -9,555 | 107.3% |
| Other receivables | 20,375 | 5.5% | 10,797 | 4.1% | 9,578 | 88.7% | 9,600 | 3.6% | 10,775 | 112.2% |
| Other payables | -19,600 | -5.3% | -13,658 | -5.1% | -5,942 | 43.5% | -14,873 | -5.5% | -4,727 | 31.8% |
| Current tax assets (liabilities) | -77 | 0.0% | -4,835 | -1.8% | 4,758 | -98.4% | -2,839 | -1.1% | 2,762 | -97.3% |
| Deferred tax assets (liabilities) | -2,793 | -0.8% | -8,238 | -3.1% | 5,445 | -66.1% | -9,821 | -3.7% | 7,028 | -71.6% |
| **Net working capital** | **-28,574** | **-7.7%** | **-29,058** | **-10.9%** | **484** | **-1.7%** | **-17,486** | **-6.5%** | **-11,088** | **63.4%** |
| Employee benefits | -17,759 | -4.8% | -12,923 | -4.9% | -4,837 | 37.4% | -12,792 | -4.8% | -4,967 | 38.8% |
| Provisions for risks and charges | -4,218 | -1.1% | -4,223 | -1.6% | 5 | -0.1% | -3,799 | -1.4% | -419 | 11.0% |
| **Total NWC and Provisions** | **-50,552** | **-13.6%** | **-46,204** | **-17.4%** | **-4,348** | **9.4%** | **-34,077** | **-12.7%** | **-16,475** | **48.3%** |
| Assets (Liabilities) held for sale | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| **TOTAL LOANS - NET INVESTED CAPITAL** | **371,590** | **100.0%** | **265,763** | **100.0%** | **105,827** | **39.8%** | **268,145** | **100.0%** | **103,445** | **38.6%** |
| Shareholders' equity attributable to the Group | 162,651 | 43.8% | 169,834 | 63.9% | -7,183 | -4.2% | 149,915 | 55.9% | 12,736 | 8.5% |
| Minority interests | 3,702 | 1.0% | 4,047 | 1.5% | -345 | -8.5% | 3,632 | 1.4% | 70 | 1.9% |
| **Shareholders' equity** | **166,353** | **44.8%** | **173,881** | **65.4%** | **-7,528** | **-4.3%** | **153,547** | **57.3%** | **12,805** | **8.3%** |
| **Total financial indebtedness** | **205,237** | **55.2%** | **91,882** | **34.6%** | **113,355** | **123.4%** | **114,597** | **42.7%** | **90,640** | **79.1%** |
| **TOTAL SOURCES** | **371,590** | **100.0%** | **265,763** | **100.0%** | **105,827** | **39.8%** | **268,145** | **100.0%** | **103,445** | **38.6%** |

*Net invested capital* grew by €105.8 million compared to 31 December 2020 due to the significant increase of €110.2 million in *Net non-current assets*, by virtue of the acquisitions in the period, net of the decrease in *Net working capital and Provisions* for €4.3 million.

*Net non-current assets* amounted to €422,141 thousand at 30 June 2021, with an increase of €110,175 thousand (35.3%) compared to 31 December 2020 (€311,967 thousand). The change was affected by provisionally allocated goodwill arising from the acquisitions of:

- Corvallis S.r.l. (€53,849 thousand),
- Yoroi S.r.l. (€37,193 thousand) and
- Queryo Advance S.r.l. (€14,904 thousand).

Investments in *Intangible and tangible assets* amounted to €6,743 thousand in the half year (€5,452 thousand in the first half of 2020) while amortisation/depreciation amounted to €9,993 thousand (€8,624 thousand in the first half of 2020).

*Net working capital* fell from - €29,058 thousand at 31 December 2020 to - €28,574 thousand at 30 June 2021:

- *Trade receivables and Contract assets* increased by €13,626 thousand due to the balances contributed at 1 January by the companies acquired in 2021 of €25,835 thousand.
- *Trade payables* increased by €7,313 thousand due to the balances contributed at 1 January by the companies acquired in 2021, equal to €9,036 thousand.
- The increase in *Contract liabilities and deferred income*, equal to €13,500 thousand, is attributable for €9,207 thousand to the balances contributed at 1 January by the companies acquired in 2021.
- The increase in *Payables to employees*, equal to €6,445 thousand, is attributable for €4,356 thousand to the balances contributed at 1 January by the companies acquired in 2021.

*Net working capital* at 30 June 2021 would have been - €31,179 thousand with the same scope of consolidation as 2020, therefore excluding the changes in Net Working Capital generated by the consolidation of the companies Tinexta Cyber S.p.A., Corvallis S.r.l., Payotik S.r.l., Yoroi S.r.l., Queryo Advance S.r.l., Swascan S.r.l., Euroquality S.A.S., Europroject O.O.D., and Trix S.r.l.) compared to - €17,486 thousand at 30 June 2020 due to the significant improvement in credit management as well as the increase in contract liabilities.

*Employee benefits* at 30 June 2021 amounted to €17,759 thousand (€12,923 thousand at 31 December 2020) and would have amounted to €13,290 thousand based on the same scope of consolidation of 2020.
*Provisions for risks and charges* at 30 June 2021 amounted to €4,218 thousand and are substantially in line with the same figure at 31 December 2020 of €4,223 thousand.

*Shareholders' equity* decreased by €7,528 thousand due to the combined effect of:

- the positive comprehensive income for the period of €20,801 thousand;
- dividends for €12,573 (of which €157 thousand not distributed) approved and €588 thousand of which distributed by the Group companies to minority interests;
- adjustment of *Put* options on minority interests for a total of €10,662 thousand (of which: €5,746 thousand on Corvallis Srl, €4,292 thousand on Yoroi Srl, €332 thousand on Swascan Srl, €222 thousand on Queryo Advance Srl and the remaining €70 thousand on Sixtema S.p.A., PrivacyLab Srl, Trix Srl) due to the increase in the expected results of the companies concerned, as well as the revaluation due to the passage of time;
- treasury shares acquired in the period (254,133, equal to 0.538% of the Share Capital) for a total purchase value of €5,994 thousand (details can be found in the paragraph **Treasury share purchase programme**);
- increase of €903 thousand in the Stock Option Reserve.

The increases in *Net non-current assets* (€110,175 thousand) and the decrease in *Shareholders' equity* (€7,528 thousand), net of cash generation produced by *Net Working Capital and Provisions* (€4,348 thousand), resulted in an increase of €113,355 thousand in *Total financial indebtedness*.

## Group's total financial Indebtedness

Total financial indebtedness of the Group at 30 June 2021 compared with 31 December 2020 and 30 June 2020:

| € '000 | 30/06 2021 | 31/12 2020 | Change | % | 30/06 2020 | Change | % |
|---|---|---|---|---|---|---|---|
| A Cash | 95,002 | 92,813 | 2,189 | 2.4% | 36,161 | 58,841 | 162.7% |
| B Cash equivalents | 0 | 0 | 0 | n.a. | 0 | 0 | n.a. |
| C Other current financial assets | 2,850 | 7,320 | -4,469 | -61.1% | 6,622 | -3,772 | -57.0% |
| **D Liquidity (A+B+C)** | **97,852** | **100,132** | **-2,280** | **-2.3%** | **42,784** | **55,069** | **128.7%** |
| E Current financial debt | 13,595 | 8,106 | 5,489 | 67.7% | 18,523 | -4,928 | -26.6% |
| F Current portion of non-current financial debt | 41,003 | 32,258 | 8,745 | 27.1% | 24,585 | 16,419 | 66.8% |
| **G Current financial indebtedness (E+F)** | **54,598** | **40,365** | **14,234** | **35.3%** | **43,108** | **11,490** | **26.7%** |
| **H Net current financial indebtedness (G+D)** | **-43,254** | **-59,768** | **16,514** | **-27.6%** | **324** | **-43,578** | **-13443.4%** |
| I Non-Current financial debt | 248,491 | 151,650 | 96,842 | 63.9% | 114,273 | 134,218 | 117.5% |
| J Debt instruments | 0 | 0 | 0 | n.a. | 0 | 0 | n.a. |
| K Non-current trade and other payables | 0 | 0 | 0 | n.a. | 0 | 0 | n.a. |
| **L Non-current financial indebtedness (I+J+K)** | **248,491** | **151,650** | **96,842** | **63.9%** | **114,273** | **134,218** | **117.5%** |
| **M Total financial indebtedness (H+L) (*)** | **205,237** | **91,882** | **113,355** | **123.4%** | **114,597** | **90,640** | **79.1%** |
| N Other non-current financial assets | 909 | 1,246 | -337 | -27.1% | 1,181 | -272 | -23.1% |
| **O Total adjusted financial indebtedness (M-N)** | **204,328** | **90,636** | **113,692** | **125.4%** | **113,416** | **90,912** | **80.2%** |

(*) **Total financial indebtedness** *calculated in accordance with the provisions of CONSOB Communication no. 6064293 of 28 July 2006 and in compliance with the Warning Notice no. 5/21 issued by CONSOB on 29 April 2021 with reference to the Guideline ESMA32-382-1138 dated 4 March 2021.*

*Total financial indebtedness* amounted to €205,237 thousand, with an increase of €113,355 thousand compared to 31 December 2020.

Composition of *Total financial indebtedness*:

| **Composition of Total financial indebtedness** | 30/06/2021 | | 31/12/2020 | | 30/06/2020 | |
|---|---|---|---|---|---|---|
| *€ '000* | Balance | Incidence | Balance | Incidence | Balance | Incidence |
| **Total financial indebtedness** | **-205,237** | | **-91,882** | | **-114,597** | |
| Gross financial indebtedness | -303,090 | 100.0% | -192,014 | 100.0% | -157,381 | 100.0% |
| Bank debt | -202,293 | 66.7% | -152,395 | 79.4% | -117,546 | 74.7% |
| Payable for acquisition of equity investments | -78,498 | 25.9% | -22,226 | 11.6% | -34,134 | 21.7% |
| *Liabilities related to the purchase of minority interests* | *-68,329* | *22.5%* | *-12,554* | *6.5%* | *-18,995* | *12.1%* |
| *Contingent consideration connected to acquisitions* | *-7,285* | *2.4%* | *-4,135* | *2.2%* | *-7,956* | *5.1%* |
| *Price extensions granted by sellers* | *-2,884* | *1.0%* | *-5,537* | *2.9%* | *-7,182* | *4.6%* |
| Lease payables | -16,915 | 5.6% | -12,870 | 6.7% | -13,992 | 8.9% |
| Other financial payables | -5,384 | 1.8% | -4,524 | 2.4% | 8,291 | -5.3% |
| Liquidity | 97,852 | 100.0% | 100,132 | 100.0% | 42,784 | 100.0% |
| Cash and cash equivalents | 95,002 | 97.1% | 92,813 | 92.7% | 36,161 | 84.5% |
| Other financial assets | 2,850 | 2.9% | 7,320 | 7.3% | 6,622 | 15.5% |

Change in Total financial indebtedness for the first half of 2021 compared to the first half of 2020 and the last 12 months to 30 June 2021:

| *€ '000* | *1st half 2021* | *1st half 2020* | *Last 12 months at 30 June 2021* |
|---|---|---|---|
| **Net financial indebtedness - opening balance** | **91,882** | **129,138** | **114,597** |
| *Free cash flow* | -29,663 | -28,919 | -67,452 |
| Net financial (income) charges | 1,794 | 419 | 2,839 |
| Dividends approved | 12,573 | 2,195 | 12,573 |
| New leases and adjustments to existing contracts | 1,564 | 70 | 2,768 |
| Acquisitions | 110,926 | 1,821 | 133,263 |
| Disposals | 0 | 0 | -12,000 |
| Adjustment of put options | 10,662 | 406 | 11,582 |
| Purchase of treasury shares | 5,994 | 9,022 | 6,973 |
| OCI Derivatives | -252 | 392 | 176 |
| Other residual | -245 | 52 | -82 |
| **Net financial indebtedness - closing balance** | **205,237** | **114,597** | **205,237** |

- The *Free Cash Flow* generated during the first half-year amounted to €29,663 thousand, of which €36,405 thousand in *Net cash and cash equivalents generated by operations*, excluding €6,743 thousand absorbed by investments in *Property, plant and equipment* and *Intangible assets*. *Free Cash Flow* increased by 2.6% compared to the first half 2020 (€28,919 thousand).
- Dividends for €12,573 thousand approved, of which €11,985 thousand from Tinexta S.p.A. (not distributed for €157 thousand) and €588 thousand from the Group's companies to minority shareholders.
- *New leases and adjustments to existing contracts* resulted in a total increase in financial indebtedness of €1,564 thousand;
- Details of the *Acquisitions* with their impact on *Total financial indebtedness* at the date of the respective closing:

| ***Details of NFI impacts for Acquisitions** € '000* | |
|---|---|
| Corvallis S.r.l. | 56,049 |
| Yoroi S.r.l. | 38,567 |
| Queryo Advance S.r.l. | 15,744 |
| Investments in equity-accounted shareholdings | 566 |
| **Total** | **110,926** |

- *Adjustment of Put options* for €10,662 thousand (of which: €5,746 thousand on Corvallis Srl, €4,292 thousand on Yoroi Srl, €332 thousand on Swascan Srl, €222 thousand on Queryo Advance Srl and the remaining €70 thousand on Sixtema S.p.A., PrivacyLab Srl, Trix Srl) due to the increase in the expected results of the companies concerned, as well as the revaluation due to the passage of time;
- During the half-year, the Parent Company Tinexta S.p.A. purchased 254,133 treasury shares (equal to 0.538% of the Share Capital) for a total purchase value of €5,994 thousand (details can be found in the paragraph **Treasury share purchase programme**).

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

On **2 July 2021**, an agreement was signed with the majority shareholder of Camerfirma Colombia S.A.S. for the purchase of a further 26% by A.C. Camerfirma S.A. The company is already 25%-owned by the Tinexta Group (24% through A.C. Camerfirma S.A. and 1% through InfoCert S.p.A.) and consolidated using the equity method in the Condensed Interim Consolidated Financial Statements at 30 June 2021. With this agreement, the Tinexta Group comes to hold 51% of Camerfirma Colombia, thus acquiring control.

On **16 July 2021**, through the subsidiary Warrant Hub S.p.A., an agreement was executed for the acquisition of 100% of Financial consulting Lab Srl and Financial CLab Srl for a total amount of €4.5 million. The closing of the transaction is expected to take place in October. Both companies are based in Brescia. Financial Consulting Lab Srl has a proven and consolidated expertise in the management of Chambers of Commerce and regional calls for tenders for small-sized businesses in the area of Special Subsidised Finance, while Financial CLab specialises in offering innovative digital tools for businesses that want to access public funds autonomously and independently.

On **21 July 2021**, the Tinexta Group completed the closing of the transaction involving the contribution by Intesa Sanpaolo of the 100% stake of Intesa Sanpaolo Forvalue S.p.A. in Innolva S.p.A. – a subsidiary of Tinexta – and the simultaneous subscription of newly issued shares of Innolva, resulting from a reserved capital increase. The amount of the contribution was set at €55 million. As a result of the transaction, Innolva's share capital is therefore 75% held by Tinexta, which retains the majority of corporate governance, and 25% by Intesa Sanpaolo.
The transaction aims to establish a single, integrated domestic hub for higher value-added services for SMEs. This is a strategic partnership that strengthens the Tinexta Group's mission to support Italian SMEs in their growth: through Forvalue's widespread network, which boasts a unique, distinctive and top quality positioning, Italian companies will have access to a wide and qualified platform of products and services to support their business.
There are Put & Call options on the 25% share capital of Innolva S.p.A. held by Intesa Sanpaolo, conditional on the partnership coming to an end and/or on some results with respect to the plan objectives, and exercisable in two time windows within the two-year period 2025-2026. An earn-out is also envisaged in the event that certain plan objectives are exceeded, ratified with the approval of Forvalue's 2025 financial statements, which will allow Intesa Sanpaolo to increase its equity investment in Innolva up to a further 5% of the share capital.

On **21 July 2021,** Tinexta S.p.A., through its subsidiary InfoCert S.p.A., finalised a binding offer, in the form of a Put Option Agreement, to the French company Oodrive S.A.S. for the acquisition of 60% of the CertEurope S.A.S. share capital. Oodrive has been owned since 2017 by Tikehau Capital, a global alternative asset management group. CertEurope, based in Paris, is one of the three largest Certification Authorities in France with a very well-known brand and a market share of around 40% in the eIDAS certificate sector.
The company has the authorisations and accreditations necessary to issue all types of certificates required by the French market, in compliance with the technical requirements established by the French Agency for the Security of Information Systems (ANSSI). Through the acquisition, Tinexta will enter the French market, the second largest in the European Community, and InfoCert, the largest Certification Authority in Europe, will be able to sell its solutions on the territory. CertEurope's well-established business relationships with a number of important trade associations (attorneys, inter alia) and with large national retailers (resellers of digital services) represent a potentially significant accelerator for the penetration of InfoCert solutions into the French market.
The agreement provides for the purchase of 60% of CertEurope's share capital for a total consideration of €43.8 million (which includes earn-outs of €3.8 million based on 2021 and 2022 performance), assuming zero net financial indebtedness at closing. The option right inherent in the minority interests in the company's share capital may be exercised in 2023, on the basis of specific Put/Call agreements. The discounted value of the Put/Call option of the minority interests is estimated at approximately €28.4 million. The investment for 100% of the share capital is estimated at €72.2 million. The CertEurope acquisition will be financed with the existing liquid assets. The enterprise value of the company is €66.7 million, at a multiple of between 12x and 13x the 2020 pro forma EBITDA for the acquisition of the majority stake and a multiple of between 12x and 13x the 2022 EBITDA expected for the exercise of the option right on the remaining shares in 2023. In 2020,

CertEurope recorded Revenues of €14.1 million, up 6.9% compared to the previous year and a pro-forma EBITDA [5]of Euro 5.2 million with an EBITDA Margin of 37%.
In accordance with the French legal system, the formalisation of the definitive agreement will take place after the selling party has conducted the information-consultation process of the corporate committee. The transaction is subject to the completion of the control procedure for foreign investments in France. In accordance with the French legal system, the signing is expected to take place in September, at the end of the Hamon Law process involving the Human Resources of the acquired company and being launched today. Closing is expected to take place by the fourth quarter of 2021. This transaction is subject to the completion of antitrust and Golden Rule procedures in France.
The total value of the Digital Trust market in France is estimated at approximately €150 million, with a 23% growth forecast per year over the next few years to reach €500 million in 2025. The competitive context is composed of some major brands (including CertEurope, with around 10% of the market share, the third largest player) and a wide range of smaller competitors.

## BUSINESS OUTLOOK

In light of the first half-year results, which are in line with expectations at the beginning of the year, the Board of Directors confirms, on a like-for-like basis, consolidated revenues of €370 million and a consolidated EBITDA of approximately €96 million. The NFP/EBITDA ratio (on a like-for-like basis in the first half-year) is expected to be around 2x at the end of 2021.

## TREASURY SHARE PURCHASE PROGRAMME

The Shareholders' Meeting of 28 April 2020 renewed the authorisation for the Company to purchase and sell treasury shares with no nominal value, pursuant to Articles 2357 et seq. of the Italian Civil Code and Article 132 of the Consolidated Finance Act, up to a maximum number, which, taking into account the ordinary Company shares held at the time by the Company and its subsidiaries, does not exceed 10% (4,720,712 ordinary shares) of the Company's share capital, subject to cancellation of the resolution adopted by the Shareholders' Meeting on 7 November 2018 and expiring 7 May 2020.

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

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

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

[5] The scope of the transaction refers to the legal entity CertEurope S.A.S. following a carve out and carve in process that will be completed prior to closing. In particular, with the carve out some assets and 13 Human Resources will be transferred, while 24 Human Resources will join CertEurope as a result of the carve in.

In implementation of the authorisation granted by the Shareholders’ Meeting of 28 April 2020, the Board of Directors meeting of 15 May 2020 resolved to launch the treasury share purchase programme, with the main aim of executing the “2020-2022 Stock Option Plan” approved by the ordinary Shareholders' Meeting of 28 April 2020, as well as other share-based incentive schemes, without prejudice to the Board’s right to use bought-back shares for the other purposes approved by that Shareholders' Meeting of 28 April 2020.

The Company’s goal in order to implement the “2020-2022 Stock Option Plan” is therefore to purchase a maximum 1,700,000 treasury shares. The Board has set a maximum of €25 million for the potential maximum expenditure to buy back the shares to service the Plan.

The Company appointed Banca IMI (now Intesa Sanpaolo) to act as fully independent intermediary in carrying out the aforementioned buyback in compliance with the constraints imposed by the applicable regulations and within the limits set in the aforementioned resolutions.

At 30 June 2021, the Company held 1,111,147 treasury shares, equal to 2.354% of the Share Capital, for a total purchase value of €15,995 thousand.

## 2020-2022 STOCK OPTION PLAN

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

At the grant date, 23 June 2020, the fair value for each option was equal to €3.46.

At 30 June 2021, 1,670,000 options had been allocated.

## 2021-2023 STOCK OPTION PLAN

On 23 June 2021, after obtaining opinion from the Remuneration Committee, the Board of Directors resolved to allocate options in execution of the long-term stock-based scheme known as the “2021-2023 Stock Option Plan” (hereinafter also “Plan”), as approved by the Shareholders' Meeting on 27 April 2021. The Plan envisages the allocation of a maximum 300,000 options. In particular, among the executive directors, executives with strategic responsibilities and/or other employees and managerial roles in the Company and/or subsidiaries, the Board of Directors has identified 3 beneficiaries to whom a total of 190,000 options have been allocated. The options offer the right to purchase and, if appropriate, subscribe Company shares in the ratio of 1 share for every 1 option exercised. The Plan provides for a single option allocation cycle and envisages a vesting period of 36 months from the date the options are allocated to beneficiaries. Exercise of the options is subordinated to achieving EBITDA in the financial statements at 31 December 2023 of ≥ 80% of the approved budget value. If EBITDA proves to be ≥ 80% and ≥ 100%, the option vesting will be proportionate. The Options accrued may be exercised at the end of a 36-month Vesting Period as from the Allocation Date. The exercise price is established as €23.49, based on the arithmetic mean of official prices recorded by the Company's shares on the MTA market in the half-year prior to the option allocation date. Further details of the Plan can be found in the Information Document already disclosed to the public pursuant to Article 114-bis, Italian Legislative Decree no. 58 of 24 February 1998 (the "Consolidated Finance Act") and Article 84-bis, paragraph 1 of the Issuers' Regulation, in the Corporate Governance/Shareholders' Meeting/2021 section of the Company's web site (www.tinexta.com/assemblea-azionisti-2021), which will be updated in compliance with the provisions of Article 84-bis, paragraph 5 of the Issuers' Regulation.

At the grant date, 23 June 2021, the fair value for each option was equal to €12.00.

At 30 June 2021, 190,000 options had been allocated.

## MAIN RISKS AND UNCERTAINTIES

The Group is exposed to some financial risks: interest rate risk, liquidity risk, credit risk and exchange rate risk. As regards the interest rate risk, the Group assesses on a regular basis its exposure to changes in interest rates and actively manages it by also using financial derivatives for exclusive hedging purposes. The credit risk related to trading receivables is mitigated through internal procedures that provide for a preliminary assessment of the customer solvency, as well as through procedures for credit recovery and management. Liquidity risk is mitigated through careful management and control of operating cash flows and use of a cash pooling system between the Group companies. As regards foreign exchange rate, the Group carries out most of its activity in Italy, and in any case most of the sales or purchases of services with foreign countries are carried out with EU countries and the transactions are settled almost exclusively in Euro; therefore, it is not greatly exposed to the risk of fluctuation of the exchange rates of foreign currencies against the Euro. For additional information on the main risks and uncertainties to which the Group is exposed, see the paragraph "Management of financial risk" in the Notes to the Consolidated Financial Statements at 31 December 2020.

## TRANSACTIONS WITH RELATED PARTIES

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

# CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## 30 June 2021
## Statements and Notes

# Consolidated Financial Statements

## Consolidated Statement of Financial Position

| *€ '000* | Notes | 30/06/2021 | 31/12/2020 |
|---|---|---|---|
| **ASSETS** | | | |
| Property, plant and equipment | 13 | 23,350 | 18,990 |
| Intangible assets and goodwill | 14 | 390,828 | 285,106 |
| Investment property | 15 | 711 | 724 |
| Equity-accounted investments | 16 | 6,252 | 5,880 |
| Other investments | 16 | 93 | 22 |
| Other financial assets, excluding derivative financial instruments | 17 | 909 | 1,246 |
| Deferred tax assets | 18 | 8,623 | 6,041 |
| Trade and other receivables | 21 | 3,758 | 2,517 |
| Contract cost assets | 19 | 5,679 | 5,275 |
| **NON-CURRENT ASSETS** | | **440,202** | **325,799** |
| Inventories | 22 | 1,070 | 1,154 |
| Other financial assets, excluding derivative financial instruments | 23 | 2,850 | 7,320 |
| Current tax assets | 24 | 1,588 | 311 |
| *- of which vs related parties* | *44* | *0* | *6* |
| Trade and other receivables | 21 | 95,613 | 84,110 |
| *- of which vs related parties* | *44* | *438* | *48* |
| Contract assets | 20 | 19,691 | 9,231 |
| Contract cost assets | 19 | 1,164 | 1,206 |
| Cash and cash equivalents | 26 | 95,002 | 92,813 |
| **CURRENT ASSETS** | | **216,978** | **196,146** |
| **TOTAL ASSETS** | | **657,179** | **521,945** |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | |
| Share capital | | 47,207 | 47,207 |
| Treasury shares | | -15,995 | -10,001 |
| Share premium reserve | | 55,439 | 55,439 |
| Other reserves | | 76,000 | 77,189 |
| *Shareholders' Equity attributable to the Group* | | *162,651* | *169,834* |
| *Minority interests* | | *3,702* | *4,047* |
| **TOTAL EQUITY** | **27** | **166,353** | **173,881** |
| **LIABILITIES** | | | |
| Provisions | 28 | 3,721 | 3,471 |
| Employee benefits | 29 | 17,759 | 12,792 |
| Financial liabilities, excluding derivative financial instruments | 30 | 247,601 | 150,508 |
| *- of which vs related parties* | *44* | *1,334* | *2,269* |
| Derivative financial instruments | 25 | 890 | 1,142 |
| Deferred tax liabilities | 18 | 11,416 | 14,279 |
| Contract liabilities | 32 | 15,824 | 10,961 |
| *- of which vs related parties* | *44* | *40* | *0* |
| Deferred income | 33 | 6 | 4 |
| **NON-CURRENT LIABILITIES** | | **297,217** | **193,156** |
| Provisions | 28 | 498 | 752 |
| Employee benefits | 29 | 0 | 131 |
| Financial liabilities, excluding derivative financial instruments | 30 | 54,598 | 40,365 |
| *- of which vs related parties* | *44* | *1,212* | *1,248* |
| Trade and other payables | 31 | 79,949 | 60,249 |
| *- of which vs related parties* | *44* | *368* | *280* |
| Contract liabilities | 32 | 54,776 | 46,411 |
| *- of which vs related parties* | *44* | *75* | *0* |
| Deferred income | 33 | 2,124 | 1,854 |
| Current tax liabilities | 24 | 1,665 | 5,147 |
| **CURRENT LIABILITIES** | | **193,609** | **154,908** |
| **TOTAL LIABILITIES** | | **490,826** | **348,064** |
| **TOTAL EQUITY AND LIABILITIES** | | **657,179** | **521,945** |

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

| | | Six-month period closed at 30 June | |
|---|---|---|---|
| *€ '000* | **Notes** | **2021** | **2020[6]** |
| **Revenues** | **34** | **177,813** | **123,817** |
| *- of which vs related parties* | *44* | *100* | *78* |
| *- of which non-recurring* | *34* | *0* | *74* |
| Costs of raw materials | 35 | 5,970 | 4,515 |
| Service costs | 36 | 56,111 | 39,905 |
| *- of which vs related parties* | *44* | *1,032* | *802* |
| *- of which non-recurring* | *36* | *1,115* | *526* |
| Personnel costs | 37 | 70,453 | 40,239 |
| Contract costs | 38 | 4,050 | 3,831 |
| Other operating costs | 39 | 958 | 915 |
| *- of which vs related parties* | *44* | *1* | *1* |
| Amortisation and depreciation | 40 | 12,754 | 10,598 |
| Provisions | 40 | 444 | 360 |
| Impairment | 40 | 670 | 1,878 |
| **Total Costs** | | **151,410** | **102,241** |
| **OPERATING PROFIT** | | **26,403** | **21,576** |
| Financial income | | 83 | 951 |
| *- of which non-recurring* | | *0* | *710* |
| Financial charges | | 1,877 | 1,370 |
| *- of which vs related parties* | | *26* | *22* |
| **Net financial income (charges)** | 41 | **-1,794** | **-419** |
| Share of profit of equity-accounted investments, net of tax | 16 | -180 | 91 |
| **PROFIT BEFORE TAX** | | **24,429** | **21,248** |
| Income taxes | 42 | 3,787 | 5,312 |
| *- of which non-recurring* | *42* | *-4,317* | *-1,018* |
| **NET PROFIT FROM CONTINUING OPERATIONS** | | **20,641** | **15,936** |
| Profit (loss) from discontinued operations | | 0 | 0 |
| **NET PROFIT** | | **20,641** | **15,936** |
| **Other components of the comprehensive income statement** | | | |
| ***Components that will never be reclassified to profit or loss*** | | | |
| **Total components that will never be reclassified to profit or loss** | | **0** | **0** |
| ***Components that are or may be later reclassified to profit or loss:*** | | | |
| Exchange rate differences from the translation of foreign Financial Statements | | -17 | -21 |
| Profits (losses) from measurement at fair value of derivative financial instruments | 25 | 252 | -392 |
| Equity-accounted investments - share of Other comprehensive income | 16 | -15 | -5 |
| Tax effect | | -60 | 94 |
| **Total components that may be later reclassified to profit or loss** | | **160** | **-324** |
| **Total other components of comprehensive income, net of tax** | | **160** | **-324** |
| **Total comprehensive income for the period** | | **20,801** | **15,612** |
| **Net profit attributable to:** | | | |
| Group | | 20,361 | 15,735 |
| Minority interests | | 281 | 201 |
| **Total comprehensive income for the period attributable to:** | | | |
| Group | | 20,532 | 15,427 |
| Minority interests | | 270 | 186 |
| **Earnings per share** | | | |
| Basic earnings per Share (€) | 43 | 0.44 | 0.33 |
| Diluted earnings per Share (€) | 43 | 0.43 | 0.33 |

[6] The comparative data for the first six months of 2020 were re-stated in relation to the completion, in the fourth quarter of 2020, of identification of the fair values of the assets and liabilities of PrivacyLab S.r.l., consolidated on a line-by-line basis from 1 January 2020.

## Consolidated Statement of Changes in Equity

| *Six-month period closed at 30 June 2021* | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| € '000 | Share capital | Treasury shares | Legal reserve | Share premium reserve | Hedging derivatives reserve | Defined benefits reserve | Stock Option reserve | Other reserves | Shareholders' Equity attributable to the Group | Minority interests | Consolidated Shareholders' equity |
| Balance at 1 January 2021 | 47,207 | -10,001 | 4,315 | 55,439 | -864 | -1,061 | 908 | 73,892 | 169,834 | 4,047 | 173,881 |
| *Comprehensive income for the period* | | | | | | | | | | | |
| Profit for the period | | | | | | | | 20,361 | 20,361 | 281 | 20,641 |
| Other components of the comprehensive income statement | | | | | 191 | | | -20 | 171 | -11 | 160 |
| *Total comprehensive income for the period* | *0* | *0* | *0* | *0* | *191* | *0* | *0* | *20,340* | *20,532* | *270* | *20,801* |
| *Transactions with Shareholders* | | | | | | | | | | | |
| Dividends | | | | | | | | -11,985 | -11,985 | -588 | -12,573 |
| Allocation to legal reserve | | | 1,359 | | | | | -1,359 | 0 | | 0 |
| Purchase of treasury shares | | -5,994 | | | | | | | -5,994 | | -5,994 |
| Put adjustment on minority interests | | | | | | | | -10,662 | -10,662 | 0 | -10,662 |
| Stock Options | | | | | | | 901 | | 901 | 1 | 903 |
| Acquisitions of minority interests in subsidiaries | | | | | | | | 26 | 26 | -28 | -3 |
| *Total transactions with Shareholders* | *0* | *-5,994* | *1,359* | *0* | *0* | *0* | *901* | *-23,981* | *-27,715* | *-615* | *-28,330* |
| Balance at 30 June 2021 | 47,207 | -15,995 | 5,673 | 55,439 | -672 | -1,061 | 1,809 | 70,251 | 162,651 | 3,702 | 166,353 |

| *Six-month period closed at 30 June 2020* | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| € '000 | Share capital | Treasury shares | Legal reserve | Share premium reserve | Hedging derivatives reserve | Defined benefits reserve | Stock Option reserve | Other reserves | Shareholders' Equity attributable to the Group | Minority interests | Consolidated Shareholders' equity |
| Balance at 1 January 2020 | 47,207 | 0 | 3,112 | 55,439 | -241 | -846 | 0 | 40,896 | 145,567 | 3,859 | 149,426 |
| *Comprehensive income for the period* | | | | | | | | | | | |
| Profit for the period | | | | | | | | 15,735 | 15,735 | 201 | 15,936 |
| Other components of the comprehensive income statement | | | | | -298 | | | -11 | -309 | -15 | -324 |
| *Total comprehensive income for the period* | *0* | *0* | *0* | *0* | *-298* | *0* | *0* | *15,724* | *15,427* | *186* | *15,612* |
| *Transactions with Shareholders* | | | | | | | | | | | |
| Dividends | | | | | | | | -1,682 | -1,682 | -513 | -2,195 |
| Allocation to legal reserve | | | 1,202 | | | | | -1,202 | 0 | | 0 |
| Purchase of treasury shares | | -9,022 | | | | | | | -9,022 | | -9,022 |
| Put adjustment on minority interests | | | | | | | | -406 | -406 | | -406 |
| Acquisitions | | | | | | | | | 0 | 100 | 100 |
| Stock Options | | | | | | | 39 | | 39 | | 39 |
| Acquisitions of minority interests in subsidiaries | | | | | | | | -7 | -7 | | -7 |
| *Total transactions with Shareholders* | *0* | *-9,022* | *1,202* | *0* | *0* | *0* | *39* | *-3,297* | *-11,078* | *-413* | *-11,491* |
| Balance at 30 June 2020 | 47,207 | -9,022 | 4,315 | 55,439 | -539 | -846 | 39 | 53,323 | 149,915 | 3,632 | 153,547 |

## Consolidated Statement of Cash Flows

| *(€ '000)* | | *Six-month period closed at 30 June* | |
|---|---|---|---|
| | **Notes** | **2021** | **2020** |
| *Cash flows from operations* | | | |
| **Net Profit** | | **20,641** | **15,936** |
| Adjustments for: | | | |
| - Amortisation and depreciation | 40 | 12,754 | 10,598 |
| - Impairment (Revaluations) | 40 | 670 | 1,878 |
| - Provisions | 40 | 444 | 360 |
| - Provisions for Stock Options | 37 | 903 | 39 |
| - Net financial charges | 41 | 1,794 | 419 |
| - *of which vs. related parties* | *44* | *26* | *22* |
| - Share of profit of equity-accounted investments | 16 | 180 | -91 |
| - Income taxes | 42 | 3,787 | 5,312 |
| Changes in: | | | |
| - Inventories | 22 | 85 | -53 |
| - Contract cost assets | 19 | -362 | 352 |
| - Trade and other receivables and Contract assets | 20.21 | 5,925 | 1,843 |
| - *of which vs. related parties* | *44* | *-390* | *121* |
| - Trade and other payables | 31 | -695 | -3,778 |
| - *of which vs. related parties* | *44* | *88* | *88* |
| - Provisions and employee benefits | 28.29 | -23 | 345 |
| - Contract liabilities and deferred income. including public contributions | 32.33 | 4,293 | 6,435 |
| - *of which vs. related parties* | *44* | *115* | *-9* |
| **Cash and cash equivalents generated by operations** | | **50,396** | **39,594** |
| Income taxes paid | | -13,990 | -5,223 |
| **Net cash and cash equivalents generated by operations** | | **36,405** | **34,371** |
| *Cash flows from investments* | | | |
| Interest collected | | 7 | 22 |
| Collections from sale or repayment of financial assets | | 4,868 | 210 |
| Investments in equity-accounted shareholdings | 16 | -566 | 0 |
| Investments in property, plant and equipment | 13 | -662 | -563 |
| Investments in other financial assets | | -72 | -233 |
| Investments in intangible assets | 14 | -6,081 | -4,889 |
| Increases in the scope of consolidation, net of liquidity acquired | | -47,426 | -452 |
| **Net cash and cash equivalents generated/(absorbed) by investments** | | **-49,932** | **-5,905** |
| *Cash flows from financing* | | | |
| Purchase of minority interests in subsidiaries | | -3 | -2,400 |
| Interest paid | | -1,177 | -1,082 |
| - *of which vs. related parties* | | *-31* | *-22* |
| MLT bank loans taken out | 30 | 62,605 | 10,035 |
| Repayment of MLT bank loans | 30 | -13,088 | -6,718 |
| Repayment of price deferment liabilities on acquisitions of equity investments | 30 | -2,602 | -2,548 |
| - *of which vs. related parties* | | *-665* | *0* |
| Repayment of contingent consideration liabilities | 30 | -1,616 | -7,581 |
| Change in other current bank payables | 30 | -7,384 | -2,673 |
| Change in other financial payables | 30 | 296 | 169 |
| Repayment of lease liabilities | 30 | -2,813 | -1,891 |
| - *of which vs. related parties* | | *-293* | *-286* |
| Purchase of treasury shares | 27 | -5,994 | -9,022 |
| Capital increases (decreases) - subsidiaries | | -91 | 0 |
| Dividends paid | | -12,416 | -2,195 |
| **Net cash and cash equivalents generated/(absorbed) by financing** | | **15,716** | **-25,905** |
| Net increase (decrease) in cash and cash equivalents | | 2,189 | 2,561 |
| Cash and cash equivalents at 1 January | 26 | 92,813 | 33,600 |
| **Cash and cash equivalents at 30 June** | **26** | **95,002** | **36,161** |

## Notes to the Condensed Interim Consolidated Financial Statements at 30 June 2021

### IMPLICATIONS OF THE COVID-19 PANDEMIC ON THE CONDENSED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2021

The Tinexta Group monitors the evolution of the Covid-19 pandemic at all its sites, adopting measures to prevent, control and contain contagions and aiming at protecting the health of its employees and collaborators.

The results of the first half of the year show the Tinexta Group's resilience, which in the first months of 2020 had been marginally affected by the pandemic crisis. All the indicators were positive and confirm the stable growth of Group business activities.

Based on the information available and in consideration of the fact that the analysis carried out aimed at ascertaining whether significant events have occurred that indicate the existence of any impairment losses (trigger event) did not reveal the presence of impairment indicators, it was not decided to proceed with the preparation of impairment tests, which will therefore be carried out when preparing the consolidated financial statements at year-end.

From the analyses carried out within the Tinexta Group, there is no significant uncertainty regarding events or circumstances, including those related to the Covid-19 pandemic, which may give rise to significant doubts on the ability of the Parent Company and the Group to continue to operate as a going concern.

### 1. ENTITY THAT PREPARES THE FINANCIAL STATEMENTS

Tinexta S.p.A. (the "Parent Company" or "Company") is based in Italy. This Condensed Interim Consolidated Financial Statements at 30 June 2021 include the condensed interim financial statements of the Parent Company and the six-monthly financial statements of its subsidiaries prepared by the directors of the individual consolidated companies (together, the "Group"). The Group is mainly active in the *Digital Trust*, *Cybersecurity*, *Credit Information & Management* and *Innovation & Marketing Services* sectors. These Condensed Interim Consolidated Financial Statements at 30 June 2021 were approved and authorised for publication by the Board of Directors of Tinexta S.p.A. at its meeting on 3 August 2021.

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

### 2. PREPARATION CRITERIA AND COMPLIANCE WITH IFRS

These Condensed Interim Consolidated Financial Statements prepared in accordance with Article 154-ter of Italian Legislative Decree no. 58/98 - Consolidated Financial Act - and subsequent amendments and additions, have been prepared in accordance with the International Financial Reporting Standards (IFRS), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), approved by the European Commission and in force at the reporting date, as well as the previous International Accounting Standards (IAS). In particular, these Condensed Interim Consolidated Financial Statements prepared in accordance with IAS 34 "Interim Financial Reporting" do not include all the information required for annual financial statements
and must be read together with the Consolidated Financial Statements for the year ended 31 December 2020 (the "most recent financial statements") filed at the company's registered headquarters and available on the company website www.tinexta.com.
While not including all the information required for complete disclosure of the Financial Statements, they include specific notes to explain the events and transactions that are relevant for an understanding of the changes

in the Statement of financial position and the performance of the Group since the last Financial Statements. The Financial Statements are consistent with those that make up the annual Consolidated Financial Statements.

## 3. PRESENTATION CRITERIA

The Condensed Interim Consolidated Financial Statements consist of the Consolidated Statement of Financial Position, Consolidated Statement of profit/(loss) and other comprehensive income, Consolidated Statement of changes in Shareholders' Equity, Consolidated Statement of Cash Flows and these Notes.

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

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

The Condensed Consolidated Interim Financial Statements are presented in Euro, i.e. the functional currency of the Parent Company and of its subsidiaries (except for Camerfirma Perù S.A.C., whose functional currency is the Peruvian Nuevo Sol - PEN and Europroject OOD whose functional currency is the Bulgarian Lev - BGN) and all values are expressed in thousands of Euro, unless otherwise indicated.

The accounting standards adopted for the preparation of these Condensed Interim Consolidated Financial Statements are the same as those adopted for the drafting of the Group's annual Consolidated Financial Statements for the year ended 31 December 2020, with the exception of the new standards applied from 1 January 2021 (indicated in Note *7. New standards or amendments for 2021 and future requirements*.

## 4. SCOPE OF CONSOLIDATION AND CONSOLIDATION CRITERIA

The Condensed Interim Consolidated Financial Statements include the Condensed Interim Financial Statements of the Parent Company Tinexta S.p.A. and the six-monthly financial statements of the companies on which the Company has the right to exercise control, directly or indirectly, as defined by IFRS 10 "Consolidated Financial Statements" drawn up by the Directors of the individual consolidated companies.

For the purposes of the assessment of the existence of control, the three necessary elements are all present:
• power over the company;
• exposure to the risk or rights arising from the variable returns linked to its involvement;
• ability to influence the company, so as to have an impact on the results (positive or negative) for the investor (correlation between power and own exposure to risks and benefits).

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

List of companies consolidated on a line-by-line basis or using the equity method at 30 June 2021:

| Company | Registered office | at 30 June 2021 | | | | | |
|---|---|---|---|---|---|---|---|
| | | Share capital | | % ownership | via | % contribution to the Group | Consolidation method |
| | | Amount € '000 | Currency | | | | |
| Tinexta S.p.A. (Parent Company) | Rome | 47,207 | € | n.a. | n.a. | n.a. | n.a. |
| InfoCert S.p.A. | Rome | 17,705 | € | 99.99% | n.a. | 99.99% | Line-by-line |
| Innolva S.p.A. | Buja (UD) | 3,000 | € | 100.00% | n.a. | 100.00% | Line-by-line |
| Re Valuta S.p.A. | Milan | 200 | € | 95.00% | n.a. | 95.00% | Line-by-line |
| Co.Mark S.p.A. | Bergamo | 150 | € | 100.00% | n.a. | 100.00% | Line-by-line |
| Visura S.p.A. | Rome | 1,000 | € | 100.00% | n.a. | 100.00% | Line-by-line |
| Warrant Hub S.p.A. | Correggio (RE) | 58 | € | 100.00% | n.a. | 100.00% | Line-by-line |
| Tinexta Cyber S.p.A. | Rome | 1,000 | € | 100.00% | n.a. | 100.00% | Line-by-line |
| Sixtema S.p.A. | Rome | 6,180 | € | 80.00% | InfoCert S.p.A. | 99.99% | Line-by-line |
| AC Camerfirma S.A. | Spain | 3,421 | € | 51.00% | InfoCert S.p.A. | 50.99% | Line-by-line |
| Comas S.r.l. | Arezzo | 100 | € | 100.00% | Innolva S.p.A. | 100.00% | Line-by-line |
| Innolva Relazioni Investigative S.r.l. | Brescia | 10 | € | 100.00% | Innolva S.p.A. | 100.00% | Line-by-line |
| Co.Mark TES S.L. | Spain | 36 | € | 100.00% | CoMark S.p.A. | 100.00% | Line-by-line |
| Queryo Advance S.r.l. | Quartu Sant'Elena (CA) | 10 | € | 60.00% | CoMark S.p.A. | 100.00% | Line-by-line |
| Warrant Innovation Lab S.r.l. | Correggio (RE) | 25 | € | 100.00% | Warrant Hub S.p.A. | 100.00% | Line-by-line |
| Warrant Service S.r.l. | Correggio (RE) | 40 | € | 50.00% | Warrant Hub S.p.A. | 50.00% | Line-by-line |
| Bewarrant S.p.r.l. | Belgium | 12 | € | 100.00% | Warrant Hub S.p.A. | 100.00% | Line-by-line |
| PrivacyLab S.r.l. | Reggio Emilia | 10 | € | 60.00% | Warrant Hub S.p.A. | 90.00% | Line-by-line |
| Trix S.r.l. | Correggio (RE) | 10 | € | 70.00% | Warrant Hub S.p.A. | 100.00% | Line-by-line |
| Euroquality SAS | France | 16 | € | 100.00% | Warrant Hub S.p.A. | 100.00% | Line-by-line |
| Europroject OOD | Bulgaria | 10 | BGN | 100.00% | 90.00% Warrant Hub S.p.A.<br>10.00% Euroquality SAS | 100.00% | Line-by-line |
| Swascan S.r.l. | Milan | 178 | € | 51.00% | Tinexta Cyber S.p.A. | 100.00% | Line-by-line |
| Corvallis S.r.l. | Padua | 1,000 | € | 70.00% | Tinexta Cyber S.p.A. | 100.00% | Line-by-line |
| Yoroi S.r.l. | Rome | 100 | € | 60.00% | Tinexta Cyber S.p.A. | 100.00% | Line-by-line |
| Camerfirma Perù S.A.C. | Peru | 84 | PEN | 99.99% | AC Camerfirma S.A. | 50.98% | Line-by-line |
| FBS Next S.p.A. | Ravenna | 2,000 | € | 30.00% | Tinexta S.p.A. | 30.00% | Equity method |
| Etuitus S.r.l. | Salerno | 50 | € | 24.00% | InfoCert S.p.A. | 24.00% | Equity method |
| Authada GmbH | Germany | 74 | € | 16.67% | InfoCert S.p.A. | 16.67% | Equity method |
| Camerfirma Colombia S.A.S. | Colombia | 1,200,000 | COP | 25.00% | 1% InfoCert S.p.A.<br>24% AC Camerfirma S.A. | 13.24% | Equity method |
| Creditreform GPA Ticino S.A. | Switzerland | 100 | CHF | 30.00% | Innolva S.p.A. | 30.00% | Equity method |
| Innovazione 2 Sagl | Switzerland | 20 | CHF | 30.00% | Warrant Hub S.p.A. | 30.00% | Equity method |
| Studio Fieschi & Soci S.r.l. | Turin | 13 | € | 20.00% | Warrant Hub S.p.A. | 20.00% | Equity method |
| Opera S.r.l. | Bassano del Grappa (VI) | 13 | € | 20.00% | Warrant Service S.r.l. | 10.00% | Equity method |
| Digital Hub S.r.l. | Reggio Emilia | 10 | € | 30.00% | PrivacyLab S.r.l. | 27.00% | Equity method |

The percentage of ownership indicated in the table refers to the portions actually owned by the Group at the reporting date. The contribution percentage refers to the contribution to the shareholders' equity of the Group made by the individual companies following the recognition of additional equity investments in the consolidated companies as a result of the recognition of the put options granted to the minority shareholders on the shares held by them.

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

All interim accounting positions used for the preparation of the Condensed Interim Consolidated Financial Statements have been drafted at 30 June 2021 and adjusted, where necessary, to make them consistent with the accounting standards applied by the Parent Company.

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

- assets and liabilities, charges and income of the subsidiaries are consolidated line by line, attributing to the minority interests, if applicable, the portion of Shareholders' Equity and Net Profit for the period that pertains to them; these portions are shown separately within Shareholders' Equity and the Income Statement.

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

### *ASSOCIATED COMPANIES*

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

- the carrying amount of the equity investments is aligned with the Shareholders' Equity adjusted, if necessary, to reflect the application of IFRS and includes the recognition of the greater/lower values allocated to the assets and to the liabilities, and any goodwill identified at the time of the acquisition;
- the profits or losses attributable to the Group are recognised from the date on which the significant influence starts and until the date the significant influence ceases. If, as a result of the losses, the Company measured with the method in question reports negative shareholders' equity, the carrying value of the equity investment is cancelled and any excess attributable to the Group, where the latter is committed to fulfil legal or implicit obligations of the associated company, or in any case to cover its losses, is recognised in a specific reserve; the changes in the shareholders' equity of the Company valued with the equity method are not represented in the Income Statement, but are recognised directly among the other components of comprehensive income;
- unrealised profits and losses on transactions carried out between the Company/subsidiaries and the associated company measured with the equity method, including distributed dividends, are eliminated on the basis of the value of the equity investment of the Group in the associated company, excluding losses if these are representative of a decrease in value of the underlying assets.

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

The rules for the translation of the Financial Statements expressed in currencies different from the currency of presentation (excluding situations in which the currency belongs to a hyper-inflation country, which is not the case for the Group), are the following:
• assets and liabilities included in the statements presented have been converted at the exchange rate on the closing date of the period;
• costs and revenues, expenses and income, included in the statements presented are translated at the average exchange rate for the period, or at the exchange rate on the transaction date if it differs significantly from the average exchange rate;
• "conversion reserve" includes both the exchange rate differences generated from the conversion of economic amounts at an exchange rate different from the closing exchange rate and those generated from the conversion of opening shareholders' equity at a different exchange rate than that of the closing of the reporting period. The translation reserve is transferred to the Income Statement at the time of the full or partial sale of the equity investment when this sale involves the loss of control.
*Goodwill* and the adjustments deriving from the measurement at fair value of the assets and liabilities resulting from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the end of period exchange rate.

## 6. SEGMENT REPORTING

Information regarding the business segments has been prepared in accordance with IFRS 8 "Operating Segments", which provides information consistently with the manner adopted by management to make operating decisions. Therefore, the identification of the operating segments and the information presented are defined on the basis of the internal reports used by the management to allocate resources to the different units and to analyse their performance.
An operating segment is defined by IFRS 8 as the component of an entity (i) that carries out business activities generating revenues and costs (including revenues and costs for transactions with other components of the same entity); (ii) the operating results of which are reviewed regularly at the highest decisional level of the entity to make decisions on the resources to be allocated to the sector and the measurement of the performance; (iii) for which separate financial statement information is available.
The operating units identified by management, which encompass all the services and products provided to the customers, are:

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

With respect to first half of 2020, the consolidated income statement data of first half 2021 include:

- the balances of Corvallis S.r.l. (*Cybersecurity* segment) consolidated as from 1 January 2021;
- the balances of Yoroi S.r.l. (*Cybersecurity* segment) consolidated as from 1 January 2021;
- the balances of Swascan S.r.l. (*Cybersecurity* segment) consolidated as from 1 October 2020;
- the balances of Tinexta Cyber S.p.A. (*Cybersecurity* segment) established on 1 January 2021;
- the balances of Queryo Advance S.r.l. (*Innovation & Marketing Services* segment) consolidated as from 1 January 2021;
- the balances of Euroquality SAS and Europroject OOD (*Innovation & Marketing Services* segment) consolidated as from 31 December 2020;

- the balances of Trix S.r.l. (*Innovation & Marketing Services* segment) established on 16 December 2020;

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

In particular, management believes that EBITDA provides a good indication of performance as it is not affected by tax regulations and amortisation and depreciation policies.

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

| *€ '000* *Six-month period closed at 30 June* | *Digital Trust* | | *Cybersecurity* | | *Credit Information & Management* | | *Innovation & Marketing Services* | | Other sectors (Holding costs) | | *Total* | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
| Segment revenues | 63,618 | 55,433 | 34,623 | 0 | 38,706 | 35,273 | 41,664 | 33,700 | 1,178 | 1,060 | 179,788 | 125,466 |
| Intra-segment revenues | 205 | 337 | 190 | 0 | 345 | 236 | 58 | 15 | 1,178 | 1,060 | 1,975 | 1,648 |
| **Revenues from third parties** | **63,413** | **55,096** | **34,433** | **0** | **38,360** | **35,037** | **41,606** | **33,685** | **1** | **0** | **177,813** | **123,817** |
| **EBITDA[7]** | **14,840** | **13,998** | 3,353 | 0 | **16,734** | **14,726** | **16,734** | **14,726** | **-5,612** | **-4,467** | **40,270** | **34,412** |
| Amortisation and depreciation, provisions and impairment | | | | | | | | | | | 13,867 | 12,836 |
| **Operating profit** | | | | | | | | | | | **26,403** | **21,576** |
| Net financial income (charges) | | | | | | | | | | | -1,794 | -419 |
| Profit of equity-accounted investments | | | | | | | | | | | -180 | 91 |
| **Profit before tax** | | | | | | | | | | | **24,429** | **21,248** |
| Income taxes | | | | | | | | | | | 3,787 | 5,312 |
| **Net profit** | | | | | | | | | | | **20,641** | **15,936** |

Breakdown of the assets and liabilities by operating segment:

| *€ '000* | *Digital Trust* | | *Cybersecurity* | | *Credit Information & Management* | | *Innovation & Marketing Services* | | Other sectors (Parent Company) | | *Total* | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **30/06/2021** | **31/12/2020** | **30/06/2021** | **31/12/2020** | **30/06/2021** | **31/12/2020** | **30/06/2021** | **31/12/2020** | **30/06/2021** | **31/12/2020** | **30/06/2021** | **31/12/2020** |
| *€ '000* | | | | | | | | | | | | |
| Assets | 151,448 | 153,351 | 146,854 | 14,675 | 160,257 | 161,014 | 164,892 | 170,852 | 33,729 | 22,053 | **657,179** | **521,945** |
| Liabilities | 112,549 | 109,009 | 115,009 | 11,378 | 54,562 | 57,524 | 113,708 | 114,359 | 94,998 | 55,794 | **490,826** | **348,064** |

## 7. NEW STANDARDS OR AMENDMENTS FOR 2021 AND FUTURE REQUIREMENTS

***a)*** From 1 January 2021, the Group has adopted the following new accounting standards:

- Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16, and IAS 39, IAS 37 Interest Rate Benchmark Reform - Phase 2. On 27 August 2020, the IASB published some amendments regarding the following accounting standards:
  - IFRS 4 Insurance Contracts
  - IFRS 7 Financial Instruments Disclosures
  - IFRS 9 Financial Instruments

[7] EBITDA: is defined as "Net Profit" before "Tax", "Net financial income (charges)", "Quota of profit of equity-accounted investments", "Amortisation and depreciation", "Provisions" and "Impairment", or as "Revenues" net of "Costs of raw materials", "Service costs", "Personnel costs", "Contract costs" and "Other operating costs".

- IFRS 16 Leases
- IAS 39 Financial Instruments: Recognition and Measurement.

The objective of this document is to modify the standards to include some practical expedients and facilitations in order to limit the accounting impacts of the IBOR reform. The amendments apply to Financial Statements for years beginning 1 January 2021 or later.

The adoption of the new standards applicable from 1 January 2021 had no impact.

***b)*** Accounting standards, amendments and interpretations not yet endorsed by the European Union:

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

- On 23 January 2020, the IASB published some amendments to IAS 1. The document "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" requires that a liability should be classified as current or non-current according to the rights existing as at the reporting date. In addition, it sets out that the classification is not impacted by the entity's expectation of exercising its rights to defer settlement of the liability. It clarifies also that this provision refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The changes should have come into force from 1 January 2022, however, the IASB, with a second document published on 15 June 2020, postponed their entry into force to 1 January 2023. Early application is permitted.
- On 14 May 2020, the IASB published the Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 with the aim of making specific amendments to these standards. The amendments apply to Financial Statements relating to years beginning on 1 January 2022 or later.

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

## 8. USE OF ESTIMATES

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

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

- *Intangible assets with indefinite life*: goodwill is assessed on an annual basis, to identify whether there is an impairment that should be recognised in the Income Statement. Specifically, the assessment in question requires the calculation of the recoverable amount of the CGU (Cash Generating Unit) to which goodwill is allocated. The recoverable amount is calculated by estimating the value in use or the fair value net of disposal costs; if the recoverable amount is less than the carrying amount of the CGU, goodwill is written down. The calculation of the recoverable amount of the CGU requires estimates based on factors that may change over time, with a potentially significant impact on the assessments carried out by Directors.

With particular reference to the determination of the value in use with the method of discounting expected future cash flows, it should be noted that this method is characterised by a high degree of complexity and by the use of estimates, which are uncertain and subjective by nature, approximately:

- the cash flows expected from the CGUs, determined taking into account the general economic performance of the sector to which they belong, the cash flows recorded in the last few years and the forecast growth rates;
- the financial parameters used to determine the discount rate.

- *Allocation of the price paid for the acquisition of control over an entity (purchase price allocation):* in terms of business combinations, in exchange for the consideration transferred for the acquisition of control over a company, the identifiable assets acquired and the liabilities assumed are recognised in the Consolidated Financial Statements at current values (*fair value) at the acquisition date, through a purchase price allocation process*. During the measurement period, the determination of such current values entails the assumption of an estimate by the directors relating to the information available on all facts and circumstances existing at the date of acquisition, which may have effects on the value of the assets acquired and the liabilities assumed.

- *Impairment of fixed assets*: property, plant and equipment and intangible assets with finite useful life are assessed to establish whether there was a decrease in value, to be recognised through impairment, if there are indications that it will be difficult to recover their net accounting value through use. To establish the presence of said indications, Directors must make subjective assessments on the basis of information available within the Company and the market, as well as historical experience. Moreover, if it is determined that a potential impairment loss may be generated, this loss is calculated using appropriate measurement techniques. The correct identification of the factors indicating the occurrence of a potential decrease in value, as well as the estimates for the calculation of these depend on factors that may vary over time, affecting the assessments and estimates carried out by the Directors.

- *Measurement at fair value*: in measuring the fair value of an asset or liability, the Company makes use of observable market data as far as possible. Fair values are allocated to different hierarchical levels on the basis of the input data used in the valuation techniques.

- *The measurement of lease liabilities*: the measurement of lease liabilities is affected by the duration of the lease, understood as the non-cancellable leasing period to which these two periods must be added: a) periods covered by a leasing extension option if the lessee has the reasonable certainty to exercise this option; and b) periods covered by the option of terminating the lease, if the lessee has the reasonable certainty not to exercise the option. The assessment of the duration of the lease entails the use of estimates based on factors that may change over time, with a potentially significant impact on the assessments carried out by the Directors.

- *Valuation of the provision for expected impairment of commercial receivables*: the Group uses an allocation matrix based on historical experience to estimate expected losses on receivables. Depending on the type of customer, the Group may use groupings if the historical experience for credit losses is significantly different than the loss models by different customer segments. Estimates and assumptions are periodically reviewed, and the effects of each change are reflected in the income statement for that period.

- *Valuation of the defined-benefit plans*: actuarial valuation requires the formulation of various assumptions that may differ from actual future developments. The results depend on the technical basis adopted such as, among others, the actualisation rate, the inflation rate, the wage increase rate and the expected turnover. All assumptions are reviewed on an annual basis.

## 9. MANAGEMENT OF FINANCIAL RISK

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

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

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

### *Exchange rate risk*

The exposure to the risk of changes in exchange rates derives from the execution of activities in currencies different from the Euro. The Group carries out most of its activity in Italy, and in any case most of the sales or purchases of services with foreign countries are carried out with EU countries and the transactions are settled almost exclusively in Euro; therefore, it is not greatly exposed to the risk of fluctuation of the exchange rates of foreign currencies against the Euro. To be noted is an exposure in PEN (Peruvian Nuevo Sol) referring to the activities carried out by Camerfirma Perù S.A.C. in its national territory, and in BGN (Bulgarian Lev) referring to the activity undertaken by Europroject OOD in its territory. Therefore, considering the very limited exposure to foreign currencies, at the Group level, no exchange rate hedging has been set up.

### *Interest rate risk*

The Group uses external financial resources in the form of debt and deposits the liquidity in bank deposits. Changes in market interest rates influence the cost and return of the different types of borrowing and depositing and therefore have an impact on the level of the financial charges and income.
Being exposed to interest rate fluctuations with regard to the extent of the financial charges incurred to borrow funds, the Group periodically reviews its exposure to the risk of changes in interest rates and actively manages it also by making use of interest rate derivatives, specifically Interest Rate Swaps (IRS), Interest Rate Floors (Floors), Interest Rate Caps (Caps) and Interest Rate Collars (Collars) purely for hedging purposes. Cash and cash equivalents are mainly represented by deposits on floating rate bank accounts with no term restriction, and therefore their fair value is equivalent to the value recognised in the financial statements; it should be noted that in this particular market context, with negative monetary rates, the counterparty banks have not yet transferred the negative rates to the accounts of the Group, which currently receives a positive or zero rate on its cash. The interest rate benchmark to which the Group is most exposed on indebtedness is the 6-month Euribor. Therefore, the risk of interest rate appears adequately monitored, owing to the current forecast of short-term stability and moderate growth in the medium to long term for the 6-month Euribor index (forward rates curve) and the structure of the debt portfolio.

The *Cash Flow Hedge* strategy on bank loans at 30 June 2021:

| **Bank loans as at 30 June 2021**<br>*€ '000* | | **Cash flow hedge derivatives**<br>**Notional values by type at 30 June 2021** | | | |
|---|---|---|---|---|---|
| | **Nominal amount** | **IRS** | **Capped Swap** | **Collar** | **Total** |
| Floating rate loans | 201,809 | 79,640 | 65,081 | 28,858 | **173,579** |
| Fixed rate loans | 3,076 | | | | **0** |
| | **204,885** | **79,640** | **65,081** | **28,858** | **173,579** |

The hedging rate of floating-rate bank loans is 86.0%.

### *Credit risk*

Financial credit risk results from the inability of a counterparty to fulfil its obligations. At 30 June 2021, the liquidity of the Group was deposited in bank accounts held at prime credit institutions.

Trade credit risk derives essentially from receivables from customers. To mitigate credit risk from trade counterparties, the Group has implemented internal procedures requiring a preliminary assessment of the solvency of the client before accepting a contract, through a scoring analysis. Another procedure was adopted for the recovery and management of trade receivables, which provides for
written reminders to be sent in the case of late payments and gradually more targeted actions (letters, phone telephone reminders, legal action). The Group uses an allocation matrix to calculate the expected losses, based on historical data. Depending on the type of customer, the Group may use groupings if the historical experience for credit losses is significantly different than the loss models by different customer segments.

The table is in Note *21. Trade and other receivables* provides a breakdown of current receivables from customers at 30 June 2021, grouped by maturity, gross and net of the related bad debts provision.

*Liquidity risk*

Liquidity risk may take the form of an inability to promptly raise, at market conditions, the financial resources needed for the Group to operate. The two main factors that influence the liquidity of the Group are:

(i) the financial resources generated or absorbed by operating and investing activities;

(ii) the maturity of financial debt.

Liquidity risk is managed through careful control of operating cash flows and use of a cash pooling system between the Group companies. The liquidity requirements of the Group are monitored by the Group treasury function, with the objective of ensuring that financial resources can be effectively and promptly obtained and an adequate investment/return of liquidity.
The management believes that the cash and the credit lines currently available, in addition to those that will be generated by operating and financing activities, will allow the Group to meet its requirements, deriving from investing activities, management of working capital and repayment of loans at their contractual maturity.

The table is in Note *30. Financial liabilities, excluding derivative financial instruments*, the financial liabilities recognised in the Condensed Interim Consolidated Financial Statements at 30 June 2021 are summarised and classified according to contractual maturity.

## 10. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

Reconciliation between financial asset and liability classes as identified in the Statement of Financial Position of the Company and the types of financial assets and liabilities identified on the basis of IFRS 7 requirements:

| *€ '000* | *Assets measured at fair value and recognised in the Income Statement* | *Assets/Liabilities designated at fair value and recognised in the Income Statement* | *Liabilities held for trading measured at fair value and recognised in the Income Statement* | *Fair Value Hedging instruments* | *Assets/Liabilities measured at amortised cost* | *Assets measured at fair value through OCI* | *Investments in instruments representing OCI capital* | ***Total*** |
|---|---|---|---|---|---|---|---|---|
| **NON-CURRENT ASSETS** | **0** | **0** | **0** | **0** | **4,667** | **0** | **0** | **4,667** |
| Other financial assets, excluding derivative financial instruments | 0 | 0 | 0 | 0 | 909 | 0 | 0 | **909** |
| Trade and other receivables | 0 | 0 | 0 | 0 | 3,758 | 0 | 0 | **3,758** |
| **CURRENT ASSETS** | **0** | **2,469** | **0** | **0** | **190,996** | **0** | **0** | **193,465** |
| Other financial assets, excluding derivative financial instruments | 0 | 2,469 | 0 | 0 | 381 | 0 | 0 | **2,850** |
| Trade and other receivables | 0 | 0 | 0 | 0 | 95,613 | 0 | 0 | **95,613** |
| Cash and cash equivalents | 0 | 0 | 0 | 0 | 95,002 | 0 | 0 | **95,002** |
| **NON-CURRENT LIABILITIES** | **0** | **67,186** | **0** | **890** | **180,415** | **0** | **0** | **248,491** |
| Financial liabilities, excluding derivative financial instruments | 0 | 67,186* | 0 | 0 | 180,415 | 0 | 0 | **247,601** |
| Derivative financial instruments | 0 | 0 | 0 | 890 | 0 | 0 | 0 | **890** |
| **CURRENT LIABILITIES** | **0** | **8,428** | **0** | **0** | **126,119** | **0** | **0** | **134,547** |
| Financial liabilities, excluding derivative financial instruments | 0 | 8,428* | 0 | 0 | 46,170 | 0 | 0 | **54,598** |
| Trade and other payables | 0 | 0 | 0 | 0 | 79,949 | 0 | 0 | **79,949** |

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

## 11. FAIR VALUE HIERARCHY

Fair value hierarchy for assets and liabilities of the Group:

| *€ '000* | *Fair Value* | | | |
|---|---|---|---|---|
| | *Level 1* | *Level 2* | *Level 3* | ***Total*** |
| **CURRENT ASSETS** | **2,469** | **0** | **0** | **2,469** |
| *Other financial assets, excluding derivative financial instruments* | *2,469* | *0* | *0* | *2,469* |
| Capitalisation policy | 2,469 | | 0 | 2,469 |
| *Derivative financial instruments* | | *0* | | *0* |
| **NON-CURRENT LIABILITIES** | **0** | **890** | **67,186** | **68,076** |
| *Derivative financial instruments* | | *890* | | **890** |
| *Other financial liabilities, excluding derivative financial instruments* | *0* | *0* | *67,186* | *67,186* |
| Liabilities for put options | | | 67,126 | 67,126 |
| Contingent consideration | | | 60 | 60 |
| **CURRENT LIABILITIES** | **0** | **0** | **8,428** | **8,428** |
| *Other financial liabilities, excluding derivative financial instruments* | *0* | *0* | *8,428* | *8,428* |
| Liabilities for put options | | | 1,203 | 1,203 |
| Contingent consideration | | | 7,225 | 7,225 |

## 12. BUSINESS COMBINATIONS

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

***Acquisition of Swascan S.r.l.***

On 20 October 2020, Tinexta S.p.A. completed the acquisition of 51% of the share capital of Swascan S.r.l., which is part of the project to create a new national hub of digital identity and digital security services. Swascan S.r.l., with registered office in Milan, is an innovative Italian Cybersecurity company, owner of the Swascan *Cloud Security Testing* platform and of a recognised *Cyber Competence Centre*. The combination of the "SaaS ready to use" platform and vertical and highly specialised skills make it a point of reference for small and medium-sized enterprises for IT security and legislative compliance requirements.

An advance payment on the acquisition price equal to 51% of the share capital of Swascan was made on the closing date, amounting to €2,100 thousand. As regards this transaction, it was established that with the approval of the financial statements at 31 December 2020, an earn-out would be recognised, calculated on the basis of 2020 EBITDA (contractually defined). This earn-out is currently estimated at €2,061 thousand, and takes account of the price adjustment deriving from the net financial position at closing. The accessory charges to the acquisition amounted to €101 thousand and were fully recognised in 2020.

On the remaining 49% held by the selling shareholders, put-and-call options are provided that they can be exercised after approval of the 2023 financial statements, at a price calculated on the basis of a multiple of Swascan S.r.l.'s 2023 EBITDA (contractually defined), taking into account the NFP (contractually defined), currently estimated at €12,824 thousand.

The company was therefore consolidated on a line-by-line basis as from 1 October 2020 and contributed €1,753 thousand to the Tinexta Group's first-half of 2021 revenue and €62 thousand to consolidated net profit.

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

| *€ '000* | |
|---|---|
| Cash and cash equivalents for 51% | 2,100 |
| Contingent consideration on 51% | 2,061 |
| Current value of exercise price of Put & Call options on 49% | 9,534 |
| **Total consideration transferred** | **13,695** |

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

| *€ '000* | **Book values** |
|---|---|
| Property, plant and equipment | 129 |
| Intangible assets | 472 |
| Current and deferred tax assets | 11 |
| Trade and other receivables | 1,207 |
| Cash and cash equivalents | 123 |
| **Total assets acquired** | **1,944** |
| Employee benefits | 38 |
| Non-current financial liabilities | 154 |
| Current financial liabilities | 40 |
| Trade and other payables | 853 |
| Contract liabilities | 21 |
| Current and deferred tax liabilities | 70 |
| **Total liabilities assumed** | **1,175** |
| **Net assets acquired** | **768** |

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

| *€ '000* | |
|---|---|
| Total consideration transferred | 13,695 |
| Net assets acquired | 768 |
| **Goodwill** | **12,927** |

The net cash flow, at the acquisition date, deriving from consolidation of the company is shown below:

| *€ '000* | |
|---|---|
| Consideration paid on closing | -2,100 |
| Cash and cash equivalents acquired | 123 |
| **Net cash flow deriving from consolidation** | **-1,977** |

### *Acquisition of Euroquality SAS and Europroject OOD*

On 11 November 2020, Warrant Hub S.p.A. finalised the acquisition of Euroquality SAS (Euroquality), based in Paris, and the affiliate Europroject OOD (Europroject), based in Sofia (Bulgaria), consulting companies specialised in supporting the customers in accessing European funds for innovation. The acquisition is part of the process of geographical expansion of the Warrant Group, giving priority to countries such as France, which has an entrepreneurial fabric and a legislative framework similar to those of the Italian market.

The two companies were therefore consolidated on a line-by-line basis as from 31 December 2020 and contributed €1,639 thousand to the Tinexta Group's first-half of 2021 revenue and €423 thousand to consolidated net profit.

The consideration for the acquisition of both companies was set at €1,988 thousand paid at closing, plus total price adjustments estimated at €2,114 thousand, of which €1,616 thousand already paid in the first half of 2021. Following the payment of such contingent consideration, the amount of €350 thousand paid in 2020 to an independent third party, in compliance with the contractual agreements, was released to guarantee part of the contingent consideration on 2020 results; this amount was recorded under *Other current financial assets* at 31 December 2020.

A portion of the purchase price paid, amounting to €500 thousand, was paid to an independent third party, in compliance with contractual agreements, to guarantee the contractual guarantee commitments undertaken by the sellers.

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

| *€ '000* | |
|---|---|
| Cash paid at closing | 1,988 |
| Contingent consideration | 2,074 |
| **Total consideration transferred** | **4,062** |

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

| *€ '000* | Book values EQ | Book values EP | IC adjustments | Sum |
|---|---|---|---|---|
| Property, plant and equipment | 303 | 3 | | 306 |
| Non-current financial assets | 32 | 0 | -2 | 31 |
| Trade and other receivables | 762 | 85 | -30 | 817 |
| Cash and cash equivalents | 1,291 | 134 | | 1,425 |
| Current and deferred tax assets | 10 | 0 | | 10 |
| **Total assets acquired** | **2,399** | **222** | **-31** | **2,590** |
| Non-current financial liabilities | 203 | 0 | | 203 |
| Current financial liabilities | 513 | 90 | | 603 |
| Trade and other payables | 313 | 75 | -30 | 358 |
| Contract liabilities | 9 | 0 | | 9 |
| Current and deferred tax liabilities | 0 | 1 | | 1 |
| **Total liabilities assumed** | **1,038** | **165** | **-30** | **1,174** |
| **Net assets acquired** | **1,361** | **57** | **-2** | **1,416** |

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

| *€ '000* | |
|---|---|
| Total consideration transferred | 4,062 |
| Net assets acquired | 1,416 |
| **Goodwill** | **2,646** |

### *Acquisition of Corvallis S.r.l.*

On *22 January 2021*, following the signing on 12 October 2020, Tinexta S.p.A., through the newly established Tinexta Cyber S.p.A., finalised the acquisition of 70% of the share capital of Corvallis S.r.l. consisting of the Projects and Solutions divisions and the research and development activities of Corvallis S.p.A., and all the share capital of Payotik S.r.l. (on 16 June 2021, the Deed of Merger by incorporation of Payotik Srl into Corvallis Srl was signed: the actual effects of the merger took place from the last of the registrations, which took place on 21 June 2021. The accounting and tax effects apply retroactively from 1 January 2021). The acquired divisions of Corvallis have an in depth expertise in the market as a provider of high-value solutions. The skills developed by Corvallis are essential to create solutions for large projects of financial companies and other sectors. This activity is based on a broad client base, developed on strong relationships and processes aligned to international best practices. It boasts also a training model based on an "Academy", also thanks to the collaboration with the University of Padua and the University of Milan-Bicocca. The acquisition is part of the project for Tinexta to create a new Italian hub of digital security services, supporting the other businesses of the Group, in particular the digital identity business. As part of Tinexta's new Cybersecurity business unit, the skills developed by Corvallis and the size of the division are essential to create advanced solutions and tackle the most complex projects.

The price for the 70% share paid at closing was €25,031 thousand, to which must be added a price adjustment currently estimated for a total of €3,409 thousand based on contractually defined EBITDA and NFP (of which - €329 thousand collected in the first half of the year based on NFP and €3,738 thousand currently estimated based on EBITDA). Accessory charges to the acquisition amounted to €572 thousand, of which €527 thousand already recognised in the 2020 financial year.

On the remaining 30% held by the selling shareholders, put-and-call options are provided that they can be exercised after approval of the 2023 financial statements, at a price calculated on the basis of a multiple of

Corvallis S.r.l.'s 2023 EBITDA (contractually defined), taking into account the NFP (contractually defined), currently estimated at €29,243 thousand.
The company has therefore been consolidated on a line-by-line basis from 1 January 2021, and contributed €28,733 thousand to Tinexta Group revenues for 2021 and €1,561 thousand to consolidated net profit.

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

| *€ '000* | |
|---|---|
| Cash paid out for 70% | 24,702 |
| Contingent consideration on 70% | 3,738 |
| Fair value of put & call options on 30% | 18,835 |
| **Total consideration transferred** | **47,275** |

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

| *€ '000* | **Book values** |
|---|---|
| Property, plant and equipment | 5,346 |
| Intangible assets | 2,077 |
| Equity investments | 71 |
| Non-current financial assets | 20 |
| Deferred tax assets | 65 |
| Trade and other receivables | 19,115 |
| Contract assets | 4,629 |
| Cash and cash equivalents | 2,934 |
| **Total assets acquired** | **34,258** |
| Employee benefits | 3,103 |
| Non-current financial liabilities | 3,669 |
| Current financial liabilities | 8,038 |
| Trade and other payables | 17,223 |
| Contract liabilities | 8,611 |
| Current tax liabilities | 188 |
| **Total liabilities assumed** | **40,831** |
| **Net assets acquired** | **-6,573** |

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

| *€ '000* | |
|---|---|
| Total consideration transferred | 47,275 |
| Net assets acquired | -6,573 |
| **Goodwill** | **53,849** |

The net cash flow deriving from consolidation of the company is shown below:

| *€ '000* | |
|---|---|
| Cash paid out for 70% | -24,702 |
| Cash and cash equivalents acquired at closing | 2,934 |
| **Net cash flow deriving from consolidation** | **-21,769** |

### *Acquisition of Yoroi S.r.l.*

On 26 January 2021, Tinexta S.p.A., through the newly formed Tinexta Cyber S.p.A., completed the acquisition of 60% of the share capital of Yoroi S.r.l. The Company (which had incorporated Cybaze and @Mediaservice, before joining Tinexta) provides cutting-edge solutions to companies and organisations that must contain and manage all levels of IT risk, in order to prevent or reduce the damages potentially deriving from a cyber-attack. The Company has a diversified commercial offer that covers the entire IT security value chain for large companies, with highly specialised technologies and well-known brands such as Cybaze, Emaze, Yoroi and Mediaservice.net. Lastly, Yoroi carries out intense R&D activities, collaborating with the University of Bologna, La Sapienza University in Rome, and the University of Sannio. The acquisition is part of the project for Tinexta to create a new Italian hub of digital security services, supporting the other businesses of the Group, in particular the digital identity business.

The price for the 60% share defined at closing was €19,636 thousand, plus a price adjustment for a total of €78 thousand paid on the basis of the NFP (contractually defined) at closing. Accessory charges to the acquisition amount to €442 thousand, of which €373 thousand already recognised in the 2020 financial year.

On the remaining 40% held by the selling shareholders, Put &Call option rights are provided that they can exercise after the approval of the 2023 financial statements, at a price calculated based on a multiple of Yoroi S.r.l.'s 2023 EBITDA (contractually defined), taking into account the NFP (contractually defined), currently estimated at €28,012 thousand.

The company has been therefore consolidated on a line-by-line basis from 1 January 2021 and has contributed €4,187 thousand to the Tinexta Group's first-half 2021 revenue and €149 thousand to consolidated net profit.

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

| *€ '000* | |
|---|---|
| Cash paid out for 60% | 19,714 |
| *Fair value of* put & call options on 40% | 19,254 |
| **Total consideration transferred** | **38,968** |

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

| *€ '000* | **Book values** |
|---|---|
| Property, plant and equipment | 880 |
| Intangible assets | 6 |
| Non-current financial assets | 11 |
| Deferred tax assets | 171 |
| Trade and other receivables | 3,750 |
| Contract assets | 430 |
| Cash and cash equivalents | 1,010 |
| **Total assets acquired** | **6,257** |
| Employee benefits | 1,214 |
| Non-current financial liabilities | 445 |
| Current financial liabilities | 164 |
| Trade and other payables | 1,882 |
| Contract liabilities | 596 |
| Current tax liabilities | 182 |
| **Total liabilities assumed** | **4,482** |
| **Net assets acquired** | **1,775** |

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

| *€ '000* | |
|---|---|
| Total consideration transferred | 38,968 |
| Net assets acquired | 1,775 |
| **Goodwill** | **37,193** |

The net cash flow deriving from consolidation of the company is shown below:

| *€ '000* | |
|---|---|
| Cash paid out for 60% | -19,714 |
| Cash and cash equivalents acquired at closing | 1,010 |
| **Net cash flow deriving from consolidation** | **-18,704** |

### *Acquisition of Queryo Advance S.r.l.*

On 28 January 2021, Tinexta S.p.A., through its subsidiary Co.Mark S.p.A., completed the acquisition of 60% of Queryo Advance S.r.l. (Queryo). The company is a *Digital Agency* founded in 2014, which offers mainly services for the design and management of *Digital ADV*, SEM (*Search Engine Marketing*) - SEA (*Search Engine Advertising*) and SEO (*Search Engine Optimization*), *Social Media Marketing*, *Remarketing and advanced Web Analytics* campaigns, with a distinctly Data Driven and performance-oriented vision. Co.Mark S.p.A. enters the share capital of Queryo with the aim of extending its offer and supporting the company's development plan over the next few years.

The price for the 60% share defined at the closing was €4,200 thousand, plus a price adjustment totalling €4,731 thousand (€3,743 thousand paid in the first half of 2021) based on EBITDA (contractually defined) for the 2020 financial year, the NFP (contractually defined) at the closing and including dividends on the 2020 financial year collected after the closing by Co.Mark S.p.A. The acquisition agreement provided also for a further price adjustment of up to €1,200 thousand linked to 2021 results and based on 2020 EBITDA (contractually defined); the price adjustment is not due as the company has not achieved 2020 EBITDA as defined in the contract. Ancillary acquisition costs amounted to €118 thousand, of which €43 thousand already recognised in 2020.

On the remaining 40% held by the selling shareholders, Put &Call option rights are provided that they can exercise after the approval of the 2024 financial statements, at a price calculated based on a multiple of Queryo's 2024 EBITDA (contractually defined), taking into account the NFP (contractually defined), currently estimated at €9,182 thousand.

The company has therefore been consolidated on a line-by-line basis from 1 October 2021, and contributed €2,345 thousand to Tinexta Group revenues for 2021 and €795 thousand to consolidated net profit.

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

| *€ '000* | |
|---|---|
| Cash paid out for 60% | 7,943 |
| Contingent consideration for 60% | 988 |
| *Fair value of* put & call options on 40% | 7,024 |
| **Total consideration transferred** | **15,954** |

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

| *€ '000* | **Book values** |
|---|---|
| Property, plant and equipment | 155 |
| Intangible assets | 0 |
| Non-current financial assets | 3 |
| Deferred tax assets | 54 |
| Trade and other receivables | 1,246 |
| Contract assets | 629 |
| Cash and cash equivalents | 989 |
| **Total assets acquired** | **3,077** |
| Employee benefits | 95 |
| Non-current financial liabilities | 42 |
| Current financial liabilities | 738 |
| Trade and other payables | 816 |
| Contract liabilities | 1 |
| Current tax liabilities | 337 |
| **Total liabilities assumed** | **2,027** |
| **Net assets acquired** | **1,050** |

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

| *€ '000* | |
|---|---|
| Total consideration transferred | 15,954 |
| Net assets acquired | 1,050 |
| **Goodwill** | **14,904** |

The net cash flow deriving from consolidation of the company is shown below:

| *€ '000* | |
|---|---|
| Cash paid out for 60% | -7,943 |
| Cash and cash equivalents acquired at closing | 989 |
| **Net cash flow deriving from consolidation** | **-6,954** |

## Information on the Statement of Financial Position

The tables of changes in shareholders' equity show the effects on the consolidated data of changes in the scope of consolidation (provisional estimated values of assets and liabilities acquired of Corvallis S.r.l., Yoroi S.r.l., Swascan S.r.l., Queryo Advance S.r.l.) as explained in Note *12. Business Combinations*.

### 13. PROPERTY, PLANT AND EQUIPMENT

Changes in investments in property, plant and equipment:

| *€ '000* | 31/12/2020 | Invest ments | Disinvest ments | Depre ciation | Reclas sifications | Change in Scope of Acquisitions | Revalu ations | Impair ment | Exchange rate delta | 30/06/2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| *Land* | | | | | | | | | | |
| Cost | 148 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | *148* |
| **Net value** | **148** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **148** |
| *Leased land* | | | | | | | | | | |
| Cost | 303 | 0 | 0 | 0 | 0 | 370 | 0 | 0 | 0 | *673* |
| **Net value** | **303** | **0** | **0** | **0** | **0** | **370** | **0** | **0** | **0** | **673** |
| *Buildings* | | | | | | | | | | |
| Cost | 1,054 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | *1,058* |
| Accumulated Depreciation | -468 | 0 | 0 | -16 | 0 | 0 | 0 | 0 | 0 | *-483* |
| **Net value** | **587** | **3** | **0** | **-16** | **0** | **0** | **0** | **0** | **0** | **574** |
| *Leased buildings* | | | | | | | | | | |
| Cost | 18,152 | 373 | -715 | 0 | 0 | 4,433 | 1,092 | -614 | 0 | *22,722* |
| Accumulated Depreciation | -6,769 | 0 | 715 | -1,971 | 0 | 0 | 0 | 0 | 0 | *-8,026* |
| **Net value** | **11,383** | **373** | **0** | **-1,971** | **0** | **4,433** | **1,092** | **-614** | **0** | **14,696** |
| *Electronic machines* | | | | | | | | | | |
| Cost | 21,254 | 471 | -269 | 0 | 290 | 2,664 | 0 | 0 | -1 | *24,408* |
| Accumulated Depreciation | -18,931 | 0 | 268 | -1,050 | 0 | -2,366 | 0 | 0 | -2 | *-22,080* |
| **Net value** | **2,323** | **471** | **-1** | **-1,050** | **290** | **298** | **0** | **0** | **-3** | **2,328** |
| *Leased electronic machines* | | | | | | | | | | |
| Cost | 637 | 0 | 0 | 0 | 0 | 54 | 0 | 0 | 0 | *692* |
| Accumulated Depreciation | -319 | 0 | 0 | -116 | 0 | 0 | 0 | 0 | 0 | *-435* |
| **Net value** | **319** | **0** | **0** | **-116** | **0** | **54** | **0** | **0** | **0** | **257** |
| *Leasehold improvements* | | | | | | | | | | |
| Cost | 2,252 | 27 | 0 | 0 | 0 | 1,457 | 0 | 0 | 0 | *3,736* |
| Accumulated Depreciation | -1,737 | 0 | 0 | -143 | 0 | -870 | 0 | 0 | 0 | *-2,749* |
| **Net value** | **516** | **27** | **0** | **-143** | **0** | **587** | **0** | **0** | **0** | **987** |
| *Assets under construction and advances* | | | | | | | | | | |
| Cost | 290 | 0 | 0 | 0 | -290 | 1 | 0 | 0 | 0 | *1* |
| **Net value** | **290** | **0** | 0 | **0** | **-290** | **1** | **0** | **0** | **0** | **1** |
| *Other assets* | | | | | | | | | | |
| Cost | 8,204 | 168 | -254 | 0 | 90 | 1,745 | 0 | 0 | 0 | *9,952* |
| Accumulated Depreciation | -6,813 | 0 | 252 | -293 | -55 | -1,513 | 0 | 0 | 0 | *-8,422* |
| **Net value** | **1,391** | **168** | **-2** | **-293** | **35** | **232** | **0** | **0** | **0** | **1,530** |
| *Other leased assets* | | | | | | | | | | |
| Cost | 3,237 | 689 | -117 | 0 | -90 | 406 | 56 | -12 | 0 | *4,169* |
| Accumulated Depreciation | -1,506 | 0 | 111 | -674 | 55 | 0 | 0 | 0 | 0 | *-2,014* |
| **Net value** | **1,731** | **689** | **-7** | **-674** | **-35** | **406** | **56** | **-12** | **0** | **2,155** |
| **Property, plant and equipment** | **18,990** | **1,732** | **-10** | **-4,262** | **0** | **6,381** | **1,148** | **-626** | **-3** | **23,350** |
| ***of which leased*** | ***13,736*** | ***1,063*** | ***-7*** | ***-2,761*** | ***-35*** | ***5,263*** | ***1,148*** | ***-626*** | ***0*** | ***17,781*** |

Investments during the period amounted to €1,732 thousand (of which €1,063 thousand for new leases) against depreciation of €4,262 thousand (of which €2,761 thousand on leases).

The Group has opted to recognise right-of-use assets from leases under *Property, plant and equipment*, in the same categories in which the underlying assets would have been recognised if owned. Right-of-use assets on properties are recognised under *leased buildings*, whilst right-of-use assets on vehicles are recorded under *other leased assets*. *Revaluations* include adjustments to rights of use due to increases in lease payments or to lease extensions; *Impairment* refers solely to early terminations of leases.

The investments in *Electronic machines* totalling €471 are attributable in the amount of roughly €280 thousand to the *Digital Trust* segment and refer mainly to acquisitions of hardware and electronic devices required for the functioning of company Data Centres.

## 14. INTANGIBLE ASSETS AND GOODWILL

This item includes intangible assets with indefinite (goodwill) or definite (intangible assets) useful life as follows:

| *€ '000* | 31/12/2020 | Investments | Divestments | Amortisation | Reclassifications | Change in Scope of *Acquisitions* | Allocations | Exchange rate delta | 30/06/2021 |
|---|---|---|---|---|---|---|---|---|---|
| *Goodwill* | | | | | | | | | |
| Original cost | 215,036 | 0 | 0 | 0 | 0 | 0 | 106,035 | 0 | 321,071 |
| **Net value** | **215,036** | **0** | **0** | **0** | **0** | **0** | **106,035** | **0** | **321,071** |
| *Other intangible assets with indefinite useful life* | | | | | | | | | |
| Original cost | 405 | 0 | 0 | 0 | 0 | | | 0 | 405 |
| Bad debts provision | 0 | | | | | | | | 0 |
| **Net value** | **405** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **405** |
| *Software* | | | | | | | | | |
| Original cost | 66,309 | 750 | 0 | 0 | 1,301 | 25,116 | | | 93,476 |
| Accumulated amortisation | -53,823 | 0 | 0 | -3,450 | 0 | -24,043 | | | -81,316 |
| **Net value** | **12,486** | **750** | **0** | **-3,450** | **1,301** | **1,073** | **0** | **0** | **12,160** |
| *Concessions, licences, trademarks and similar rights* | | | | | | | | | |
| Original cost | 297 | 18 | 0 | 0 | 0 | 3 | | | 318 |
| Accumulated amortisation | -208 | 0 | 0 | -6 | 0 | -2 | | | -215 |
| **Net value** | **90** | **18** | **0** | **-6** | **0** | **1** | **0** | **0** | **103** |
| *Other intangible assets from consolidation* | | | | | | | | | |
| Original cost | 74,517 | 0 | 0 | 0 | 0 | 0 | | | 74,517 |
| Accumulated amortisation | -30,412 | 0 | 0 | -2,651 | 0 | 0 | | | -33,063 |
| **Net value** | **44,105** | **0** | **0** | **-2,651** | **0** | **0** | **0** | **0** | **41,454** |
| *Assets in progress and advances* | | | | | | | | | |
| Original cost | 5,559 | 2,911 | 0 | 0 | -1,300 | 1,010 | | | 8,180 |
| **Net value** | **5,559** | **2,911** | **0** | **0** | **-1,300** | **1,010** | **0** | **0** | **8,180** |
| *Databases* | | | | | | | | | |
| Original cost | 18,437 | 2,401 | 0 | 0 | 0 | | | | 20,838 |
| Accumulated amortisation | -11,012 | 0 | 0 | -2,372 | 0 | | | | -13,384 |
| **Net value** | **7,425** | **2,401** | **0** | **-2,372** | **0** | **0** | **0** | **0** | **7,453** |
| *Other* | | | | | | | | | |
| Original cost | 46 | 1 | -46 | 0 | 0 | 1 | | 0 | 1 |
| Accumulated amortisation | -45 | 0 | 46 | 0 | 0 | -1 | | 0 | 0 |
| **Net value** | **1** | **1** | **0** | **0** | **0** | **0** | **0** | **0** | **1** |
| **Intangible assets with definite and indefinite useful life** | **285,106** | **6,081** | **0** | **-8,479** | **0** | **2,084** | **106,035** | **0** | **390,828** |

Investments in the year amounted to €6.081 thousand against amortisation of €8,479 thousand.

## *Goodwill*

At 30 June 2021, the item amounted to €321,071 thousand and can be broken down as follows by CGU/Operating segment:

| *€ '000*<br>**CGUs** ***Operating segments*** | | **30/06/2021** | **31/12/2020** | **Change** |
|---|---|---|---|---|
| Goodwill Innolva | (*Credit Information & Management*) | 89,967 | 89,967 | 0 |
| Goodwill RE Valuta | (*Credit Information & Management*) | 4,578 | 4,578 | 0 |
| Goodwill Warrant | (*Innovation & Marketing Services*) | 35,772 | 35,682 | 90 |
| Goodwill Co.Mark | (*Innovation & Marketing Services*) | 61,567 | 46,663 | 14,904 |
| Goodwill Visura | (*Digital Trust*) | 25,191 | 25,191 | 0 |
| Goodwill Ecomind | (*Digital Trust*) | 27 | 27 | 0 |
| Goodwill Cybersecurity ( | *Cybersecurity*) | 103,969 | 12,927 | 91,042 |
| | **Goodwill** | **321,071** | **215,036** | **106,035** |

The increase in goodwill allocated to the *Cybersecurity* CGU resulted from the acquisitions of Corvallis S.r.l. and Yoroi S.r.l. The allocation of this goodwill is determined in a provisional manner, as the measurement at fair value of the net assets acquired is still under way (see Note *12. Business Combinations* for details).

The increase in goodwill allocated to the Co.Mark CGU is affected by the acquisition of Queryo Advance S.r.l. The allocation of this goodwill is determined in a provisional manner, as the measurement at fair value of the net assets acquired is still under way (see Note *12. Business Combinations* for details).

Goodwill is periodically tested to determine the existence of any impairment. For the purposes of preparing these Condensed Interim Consolidated Financial Statements, on the basis of the information available and in consideration of the fact that the analysis carried out to ascertain whether significant events had occurred indicating the existence of possible impairment losses (trigger events) did not reveal the presence of impairment indicators, it was not considered necessary to carry out impairment tests, which will therefore be carried out when preparing the consolidated financial statements at year-end.

## *Other intangible assets with indefinite useful life*

The item *Other intangible assets with indefinite useful life* consists of the value of the press review database called AZ Press attributable to Innolva S.p.A. (€376 thousand). Considering the specific nature of this database, it is not possible to define criteria to link the value of individual data with the historical value and determine a useful life. Each verification of the value of the database as a whole, as well as that of the ability to express useful life, can therefore only be by means of periodic analysis of the recoverability of the investment. For the purposes of preparing these Condensed Interim Consolidated Financial Statements, on the basis of the information available and in consideration of the fact that the analysis carried out to ascertain whether significant events had occurred indicating the existence of possible impairment losses (trigger events) did not reveal the presence of impairment indicators, it was not considered necessary to carry out impairment tests, which will therefore be carried out when preparing the consolidated financial statements at year-end.

### *Intangible assets with definite useful life*

*Software*

The item *Software* includes both the expenses for maintenance and development of the platform related to the software application for the management of *Credit Information & Management* databases and the costs for the purchase of software licences used for the supply of *Digital Trust* services.
Investments in the first half of the year totalled €750 thousand, plus €1,301 thousand of investments made in previous years, of which €999 thousand related to the *Credit Information & Management* segment and €773 thousand to *Digital Trust*.

*Databases*

The *Databases* increased by €2,401 thousand due to investments made during the period. Investment in the *Credit Information & Management* segment, specifically in the company Innolva S.p.A., envisaged the establishment of the initial structure and constant updating of the positions in the proprietary archives through steady annual investments. The underlying reasons for the investment are: the possibility of developing an offering aligned with market demand, which calls for the launch of innovative products and proposition of associated additional services; independence in the procurement phases from the main competitors and the possibility of guaranteeing the highest quality standards with respect to the depth of the data underlying the analyses and the accuracy guaranteed by their continuous updating.

*Other intangible assets from consolidation*

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

| *€ '000* | **30/06/2021** | **31/12/2020** | **Change** |
|---|---|---|---|
| Warrant Hub customer list | 23,243 | 24,109 | -866 |
| Innolva customer list | 17,441 | 18,441 | -1,000 |
| Privacy Lab customer list | 573 | 611 | -38 |
| Camerfirma customer list | 197 | 223 | -26 |
| Visura customer list | 0 | 721 | -721 |
| **Other intangible assets from consolidation** | **41,454** | **44,105** | **-2,651** |

The decrease recognised during the period can be attributed to amortisation (equal to €2,651 thousand).

*Assets in progress and advances*

*Assets in progress* rose by €2,911 thousand, of which €2,198 thousand in the *Digital Trust* segment for the implementation of various innovative solutions with different purposes and characteristics; both direct costs, referring to internal personnel costs, and external costs for technical consultation necessary for the development and implementation of the solutions, were capitalised. An additional €561 thousand refers to software development regarding projects not yet finalised in the *Credit information & Management* segment.

## 15. INVESTMENT PROPERTY

Changes in investment property:

| *€ '000* | **31/12/2020** | **Investments** | **Divestments** | **Depreciation** | **Reclassifications** | **30/06/2020** |
|---|---|---|---|---|---|---|
| *Buildings - investment property* | | | | | | |
| Original cost | 1,090 | | | | | 1,090 |
| Accumulated depreciation | -366 | | | -13 | | -379 |
| **Net value** | **724** | **0** | **0** | **-13** | **0** | **711** |
| **Investment property** | **724** | **0** | **0** | **-13** | **0** | **711** |

Revenues for rents from investment property recognised during the period amounted to €23 thousand and are included in *Other revenues and income*.

## 16. EQUITY INVESTMENTS

### *Equity-accounted investments*

Details on the valuation of companies consolidated using the equity method:

| *€ '000* | % ownership | 31/12 2020 | Increases/Decreases in the Income Statement | Acquisitions | Exchange rate delta | 30/06 2021 | % ownership |
|---|---|---|---|---|---|---|---|
| Authada GmbH | 17% | 3,139 | -151 | | | 2,988 | 17% |
| FBS Next S.p.A. | 30% | 2,006 | -66 | | | 1,940 | 30% |
| Innovazione 2 Sagl | 30% | 483 | 29 | | -8 | 504 | 30% |
| Opera S.r.l. | - | - | 0 | 300 | | 300 | 20% |
| Studio Fieschi & Soci S.r.l. | - | - | 0 | 252 | | 252 | 20% |
| Creditreform GPA Ticino S.A. | 30% | 101 | 1 | | -1 | 102 | 30% |
| Camerfirma Colombia S.A.S. | 25% | 89 | -4 | 14 | -6 | 93 | 25% |
| eTuitus S.r.l. | 24% | 59 | 10 | | | 69 | 24% |
| Digital Hub S.r.l. | 30% | 3 | 1 | | | 4 | 30% |
| **Investments in associated companies** | | **5,880** | **-180** | **566** | **-15** | **6,252** | |

In March, Warrant Hub S.p.A. through Warrant Service S.r.l. (subsidiary at 50%) made an investment in the start-up Opera S.r.l. by subscribing to a capital increase of €300 thousand (of which 297 thousand for premium), acquiring a stake equal to 20% of the share capital.

In May, Warrant Hub S.p.A. acquired a 20% stake in the share capital of Studio Fieschi & soci Srl for €225 thousand (plus accessory charges). Studio Fieschi & soci Srl is an innovative SME with offices in Turin and Venice, with a strong strategic, scientific and operational expertise covering all aspects of sustainability: environmental, social and economic. The agreement reinforces Warrant Hub's strategic commitment to the ecological transition of client companies, which has been addressed over the years with automatic subsidised finance instruments, European calls for tenders and specialist advice on eco-innovation and energy. The transaction builds on the successful experiences acquired from the collaboration between the two companies on the European projects LifeZeroGWP, LifeREskiboot and Intelwatt, within the Life and Horizon 2020 framework programmes. The agreement allows Warrant Hub to accelerate its expansion strategy in the area of sustainability services, offering even broader and more qualified support for the competitiveness and growth of businesses. The signed agreement provides for Put & Call options that give Warrant Hub the opportunity to acquire control (51%) by Studio Fieschi & soci Srl in 2023 and to reach the whole control over the company in 2026.

### *Other investments*

This item includes investments in other companies for €93 thousand (€22 thousand at 31 December 2020) and refers to minority interests in companies/consortia. The increase for the period refers to a minority interest contributed by Corvallis Srl.

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

| *€ '000* | 30/06/2021 | 31/12/2020 | Change |
|---|---|---|---|
| **Other financial assets, excluding derivative financial instruments** | **909** | **1,246** | **-337** |

The item includes mainly receivables for security deposits. The decrease compared to the balance at 31 December 2020 was due to the reclassification in *Other current financial assets* of capitalisation policies for an amount of €443 thousand.

## 18. DEFERRED TAX ASSETS/LIABILITIES

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

| *€ '000* | 31/12/2020 | Allocations (Releases) Income statement | Allocations (Releases) Shareholders' equity | Allocations (Releases) Comprehensive income statement | Change in Scope - Acquisitions | 30/06/2021 |
|---|---|---|---|---|---|---|
| Deferred tax assets | **6,041** | 2,353 | | -60 | 290 | **8,623** |
| Deferred tax liabilities | **14,279** | -2,863 | | 0 | 0 | **11,416** |
| **Net balance** | **-8,238** | **5,216** | **0** | **-60** | **290** | **-2,793** |

*Deferred tax liabilities* are to be attributed primarily to the fair value of assets emerging on the allocation of the excess cost paid in business combinations.

Allocations to the income statement for *Deferred tax assets* of €2,132 thousand, as well as the release of *Deferred tax liabilities* of €2,122 thousand, are attributable to the Group's option to obtain full recognition for tax purposes of the differences between the carrying amounts and the tax bases of some intangible assets arising from the merger by incorporation of Promozioni Servizi S.r.l. in 2020 (Article 176, paragraph 2-ter, of Italian Presidential Decree no. 917/86 and Article 15, paragraph 10, of Italian Decree Law no. 185/2008), as well as other intangible assets recognised in connection with the merger transactions in years prior to 2020 (Article 110 of Italian Decree Law 104/2020). This option resulted also in the recognition of a substitute tax of €853 thousand in the item Income taxes of the Income Statement.

The other allocations to the Income Statement for *Deferred tax liabilities* refer to the fair value of assets emerging on the allocation of the excess cost paid in business combinations in the amount of €739 thousand.

## 19. CONTRACT COST ASSETS

The following are recognised under contract cost assets, pursuant to IFRS 15 "Revenue from Contracts with Customers":

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

| *€ '000* | 30/06/2021 | 31/12/2020 | Change |
|---|---|---|---|
| Contract obtainment cost assets | 1,920 | 1,655 | 265 |
| Contract fulfilment cost assets | 3,759 | 3,620 | 139 |
| **Non-current contract cost assets** | **5,679** | **5,275** | **404** |
| Contract fulfilment cost assets | 1,164 | 1,206 | -42 |
| **Current contract cost assets** | **1,164** | **1,206** | **-42** |
| **Contract cost assets** | **6,843** | **6,481** | **362** |

The incremental costs to obtain a sales contract are recognised under non-current assets; the Group recognises as expenses the incremental costs to obtain the contract, when they are incurred, in the case in which the amortisation period of the assets that the Group would have otherwise recognised does not exceed one year.
*Contract obtainment cost assets*, equal to €1,920 thousand at 30 June 2021 include commissions paid to agents to obtain contracts predominantly in the *Credit Information & Management* and *Innovation & Marketing Services* sectors. These costs are systematically amortised over the average life of the contracts to which they refer. The periodic release of the amount relating to first half 2021 amounted to €2,434 thousand, and no impairment losses on the capitalised costs were recorded.

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

*Non-current contract fulfilment cost assets* include costs sustained in *Digital Trust* to implement “ad hoc” customer platforms to provide a series of services within a time frame of over twelve months. *Current contract fulfilment cost assets* include costs sustained to provide consulting services, primarily with regard to innovation consulting, in *Innovation & Marketing Services*, with respect to which the relative income has not yet been recognised. The periodic release of *Contract fulfilment cost assets* for the amount relating to first half 2021 equalled €1,616 thousand, and no impairment losses on the capitalised costs were recorded.

## 20. CONTRACT ASSETS

*Contract assets* of €19,691 thousand at 30 June 2021 (€9,231 thousand at 31 December 2020) comprise predominantly the Group’s right to receive consideration for work completed but not yet invoiced at the end of the period. These assets are reclassified under *trade receivables* when the right becomes unconditional. Thus, the item includes invoices to be issued, the gross amount due from customers for project work and accrued trade assets.
The increase in the item was affected by the balances contributed at the date of first-time consolidation by the companies that entered the consolidation scope during the first half of the year, for a total of €5,688 thousand.

## 21. TRADE AND OTHER RECEIVABLES

*Trade and other receivables* totalled €99,371 thousand (€86,627 thousand at 31 December 2020) and can be detailed as follows:

| *€ '000* | **30/06/2021** | **31/12/2020** | **Change** |
|---|---|---|---|
| Trade receivables from customers | 102 | 141 | -39 |
| Prepaid expense | 3,603 | 2,324 | 1,280 |
| Receivables from others | 52 | 52 | 0 |
| **Trade receivables and other non-current receivables** | **3,758** | **2,517** | **1,241** |
| | | | |
| Trade receivables from customers | 78,647 | 75,537 | 3,109 |
| Trade receivables from associated companies | 247 | 151 | 96 |
| **Current trade receivables** | **78,894** | **75,688** | **3,205** |
| Receivables from others | 4,777 | 1,807 | 2,970 |
| VAT credit | 451 | 530 | -79 |
| Other tax receivables | 842 | 573 | 268 |
| Prepaid expense | 10,650 | 5,511 | 5,139 |
| **Other current receivables** | **16,719** | **8,422** | **8,298** |
| **Trade and other current receivables** | **95,613** | **84,110** | **11,503** |
| ***of which vs. related parties*** | ***438*** | ***48*** | ***389*** |
| **Trade and other receivables** | **99,371** | **86,627** | **12,744** |

Trade receivables from customers are shown net of the related bad debts provision of €7,273 thousand at 30 June 2021 (€7,117 thousand at 31 December 2020). The increase in trade receivables from customers was affected by the balances contributed at the date of first-time consolidation by the companies that entered the consolidation scope during the first half of the year, for a total of €20,147 thousand.

The following table provides a breakdown of current trade receivables from customers at 30 June 2021, grouped by maturity brackets, gross and net of the related bad debts provision:

| *€ '000* | **30/06/2021** | due | past due within 90 days | past due between 91 and 180 days | past due between 181 days and 1 year | past due beyond 1 year |
|---|---|---|---|---|---|---|
| Trade receivables from current customers | **85,920** | 59,566 | 10,108 | 5,134 | 3,764 | 7,347 |
| Bad debts provision | **7,273** | 488 | 223 | 434 | 854 | 5,274 |
| % Bad debts provision | **8.5%** | 0.8% | 2.2% | 8.5% | 22.7% | 71.8% |
| **Net value** | **78,647** | 59,078 | 9,885 | 4,700 | 2,910 | 2,073 |

| *€ '000* | **31/12/2020** | due | past due within 90 days | past due between 91 and 180 days | past due between 181 days and 1 year | past due beyond 1 year |
|---|---|---|---|---|---|---|
| Trade receivables from current customers | **82,654** | 59,676 | 7,695 | 3,888 | 3,940 | 7,455 |
| Bad debts provision | **7,117** | 574 | 313 | 315 | 941 | 4,974 |
| % Bad debts provision | **8.6%** | 1.0% | 4.1% | 8.1% | 23.9% | 66.7% |
| **Net value** | **75,537** | 59,102 | 7,383 | 3,573 | 2,999 | 2,481 |

Changes in the bad debts provision in the period:

| *€ '000* | |
|---|---|
| **Bad debts provision at 31 December 2020** | **7,117** |
| Allocations 1st half 2021 | 670 |
| Uses 1st half 2021 | -726 |
| Change in scope of consolidation (acquisitions) | 212 |
| **Bad debts provision at 30 June 2021** | **7,273** |

The balance at 30 June 2021 of *Receivables from others* includes mainly receivables for grants on Research and Development projects as well as advances to suppliers and agents. The increase in the item was affected by the balances contributed at the date of first-time consolidation by the companies that entered the consolidation scope during the first half of the year, for a total of €2,486 thousand, mainly related to receivables for grants for Research and Development projects.

As regards the *VAT credit*, note that the Group companies (with the exception of foreign companies, Warrant Service S.r.l., Swascan S.r.l. and companies entering the scope of consolidation during the first half of the year) are among the entities to which the split payment rule applies pursuant to Article 17-ter, Italian Presidential Decree no. 633 of 26 October 1972. As a result, the non-payment of VAT to suppliers (who are not professionals subject to withholding tax).

*Prepaid expense* represents charges deferred to beyond the quantification/recording date; it does not depend on the payment date of the corresponding charges, pertains to two or more fiscal years and is proportionally allocated based on time. The increase in the item was affected by the balances contributed at the date of first-time consolidation by the companies that entered the consolidation scope during the first half of the year, for a total of €1,424 thousand.

## 22. INVENTORIES

Inventories at 30 June 2021 amounted to €1,070 thousand (€1,154 thousand at 31 December 2020) and can be broken down as follows:

| *€ '000* | **30/06/2021** | **31/12/2020** | **Change** |
|---|---|---|---|
| Raw and ancillary materials and consumables | 649 | 733 | -84 |
| Finished products and goods | 421 | 421 | 0 |
| **Inventories** | **1,070** | **1,154** | **-85** |

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

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

*Other current financial assets* amounted to €2,850 thousand at 30 June 2021 (€7,320 thousand at 31 December 2020).

| *€ '000* | **30/06/2021** | **31/12/2020** | **Change** |
|---|---|---|---|
| Guarantee deposits | 0 | 4,350 | -4,350 |
| Capitalisation insurance contracts | 2,469 | 2,014 | 455 |
| Other financial assets | 381 | 956 | -574 |
| **Other current financial assets** | **2,850** | **7,320** | **-4,469** |

The item *Guarantee deposits* included, at 31 December 2020, the payment by InfoCert of €4 million to an independent third party in accordance with contractual arrangements to guarantee the contingent consideration to be paid to the sellers of LuxTrust S.A. Following the sale of the aforementioned equity investment, the amount was released, and therefore collected, in January 2021. The additional €350 thousand related to the payment made by Warrant Hub to an independent third party, in compliance with contractual agreements, to guarantee the contingent consideration to be disbursed to the sellers of Euroquality SAS; the deposit was released following payment of the contingent consideration in the first half of 2021.

The item *Capitalisation insurance contracts* includes the reclassification from non-current financial assets of capitalisation policies amounting to €443 thousand.

The decrease in *Other financial assets* was affected by the release of prepaid expense for €424 thousand for transaction costs linked to obtaining the ISP and ICREEA loans (described in Note *30. Financial liabilities*) whose use took place in the first half of 2021.

## 24. CURRENT TAX ASSETS AND LIABILITIES

At 30 June 2021, the Group showed an overall net debt position for current taxes equal to €77 thousand (€4,835 thousand at 31 December 2020) as detailed below:

| *€ '000* | **30/06/2021** | **31/12/2020** | **Change** |
|---|---|---|---|
| Current tax assets | 1,588 | 311 | 1,277 |
| ***of which vs. related parties*** | ***0*** | ***6*** | ***-6*** |
| Current tax liabilities | 1,665 | 5,147 | -3,482 |
| **Net current tax assets (liabilities)** | **-77** | **-4,835** | **4,758** |

The change in *Net current tax liabilities* reflects the allocation of taxes for the half-year, the balances contributed at the date of first consolidation by companies that entered the consolidation scope during the first half of the year (for a total of €706 thousand), the income for €816 thousand deriving from the rebate of the first advance payment of IRAP 2020 recognised by virtue of the extension of the ceiling to the benefit provided by Italian Decree Law 41/2021, known as "Decreto Sostegni", and the payments (IRES, IRAP and foreign taxes) of the half-year.

## 25. DERIVATIVE FINANCIAL INSTRUMENTS

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

| *€ '000* | **30/06/2021** | **31/12/2020** | **Change** |
|---|---|---|---|
| Non-current financial liabilities for hedging derivatives | 890 | 1,142 | -252 |
| **Liabilities for net hedging derivative financial instruments** | **890** | **1,142** | **-252** |

The current derivative financial instruments at 30 June 2021 refer to the contracts executed by the Group in order to hedge the risk of cash flow changes due to fluctuating interest rates on a portion of the bank loans (for details, see the Note *30. Financial liabilities, excluding derivative financial instruments*).

Table illustrating the contract type, notional amount, hedged loan and fair value of current derivatives at 30 June 2021:

*€ '000*

| Type | Loan hedged | Notional | Maturity date | Rate received | Rate paid | *Fair value* at 30/06/2021 | *Fair value* at 31/12/2020 |
|---|---|---|---|---|---|---|---|
| IRS | CA line A[1] | 4,571 | 30/06/2023 | 6-month Euribor[1] | 0.600% | -35 | -52 |
| IRS | CA line A | 1,429 | 30/06/2023 | 6-month Euribor[1] | 0.640% | -12 | -17 |
| IRS | CA line C | 10,500 | 31/12/2024 | 6-month Euribor | -0.220% | -43 | -78 |
| IRS | CA line A | 11,779 | 30/06/2025 | 6-month Euribor | -0.146% | -98 | -189 |
| IRS | CA line A | 3,181 | 30/06/2025 | 6-month Euribor | -0.155% | -23 | -44 |
| IRS | CA line B | 8,889 | 30/06/2025 | 6-month Euribor | -0.276% | -25 | -56 |
| IRS | ISP Group | 30,006 | 31/12/2025 | 6-month Euribor[2] | -0.163% | -166 | -311 |
| IRS | BPER | 9,286 | 31/12/2027 | 6-month Euribor[3] | -0.182% | -32 | n.a. |
| **Total Interest Rate Swap hedging instruments** | | **79,640** | | | | **-434** | **-747** |

1 the index has a lower limit (Floor) of zero

2 the index has a lower limit (Floor) of -1.40%

3 the index has a lower limit (Floor) of -1.25%

*€ '000*

| Type | Loan hedged | Notional | Maturity date | Hedged rate | Strike | *Fair value* at 30/06/2021 | Fair value at 31/12/2020 |
|---|---|---|---|---|---|---|---|
| Capped Swap | CA line A | 5,000 | 30/06/2023 | 6-month Euribor | 1.500% | -6 | -9 |
| Capped Swap | BPS | 4,444 | 30/06/2023 | 6-month Euribor | 1.500% | -5 | -8 |
| Capped Swap | former UBI | 10,000 | 29/05/2023 | 6-month Euribor | 0.500% | -14 | -19 |
| Capped Swap | ISP Group | 6,836 | 30/06/2026 | 6-month Euribor | 0.600% | -35 | -57 |
| Capped Swap | ISP Group | 28,800 | 30/06/2026 | 6-month Euribor | 0.500% | -142 | n.a. |
| Capped Swap | BPM | 10,000 | 31/12/2026 | 6-month Euribor | 0.500% | -71 | n.a. |
| **Total *Capped Swap* hedging instruments**[1] | | **65,081** | | | | **-274** | **-93** |

1 the derivatives have a 6-monthly periodic premium

*€ '000*

| Type | Loan hedged | Notional | Maturity date | Hedged rate | Strike | *Fair value* at 30/06/2021 | Fair value at 31/12/2020 |
|---|---|---|---|---|---|---|---|
| Floor | BNL | 19,500 | 31/12/2025 | 6-month Euribor | -1.450% | -55 | -62 |
| **Total *Floor Option* hedging instruments**[1] | | **19,500** | | | | **-55** | **-62** |

1 the derivatives have a 6-monthly periodic premium

*€ '000*

| Type | Loan hedged | Notional | Maturity date | Hedged rate | Strike | *Fair value* at 30/06/2021 | Fair value at 31/12/2020 |
|---|---|---|---|---|---|---|---|
| Collar | ISP Group | 9,358 | 31/12/2025 | 6-month Euribor | 1.75%/-0.33% | -34 | -64 |
| Collar | BNL | 19,500 | 31/12/2025 | 6-month Euribor | 1.00%/-0.30% | -93 | -176 |
| **Total Collar Option hedging instruments** | | **28,858** | | | | **-127** | **-240** |

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

## 26. CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to €95,002 thousand at 30 June 2021(€92,813 thousand at 31 December 2020) and are broken down as follows:

| *€ '000* | **30/06/2021** | **31/12/2020** | **Change** |
|---|---|---|---|
| Bank and postal deposits | 94,909 | 92,741 | 2,167 |
| Cheques | 6 | 4 | 2 |
| Cash and cash equivalents | 88 | 68 | 20 |
| **Cash and cash equivalents** | **95,002** | **92,813** | **2,189** |

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

## 27. SHAREHOLDERS' EQUITY

The approved, subscribed and paid-in share capital amounted to €47,207,120 at 30 June 2021 and consists of 47,207,120 Ordinary Shares.

At 30 June 2021, Tinexta S.p.A. held 1,111,147 treasury shares, equal to 2.354% of the share capital, for a total purchase value of €15,995 thousand.

Consolidated shareholders' equity at 30 June 2021 amounted to €166,353 thousand (€173,881 thousand at 31 December 2020) and can be analysed as follows:

| *€ '000* | **30/06/2021** | **31/12/2020** | **Change** |
|---|---|---|---|
| Share capital | 47,207 | 47,207 | 0 |
| Treasury shares held | -15,995 | -10,001 | -5,994 |
| Legal reserve | 5,674 | 4,315 | 1,359 |
| Share premium reserve | 55,439 | 55,439 | 0 |
| Stock Option reserve | 1,810 | 908 | 903 |
| Reserve from valuation of hedging derivatives | -672 | -864 | 191 |
| Defined-benefit plans reserve | -1,061 | -1,061 | 0 |
| Other reserves | 49,889 | 36,612 | 13,277 |
| Profit (loss) for the Group | 20,361 | 37,279 | -16,919 |
| **Total Group Shareholders' Equity** | **162,651** | **169,834** | **-7,183** |
| Share capital and reserves attributable to minority interests | 3,421 | 3,412 | 9 |
| Profit (loss) attributable to minority interests | 281 | 635 | -354 |
| **Total minority interests** | **3,702** | **4,047** | **-345** |
| **Total Shareholders' Equity** | **166,353** | **173,881** | **-7,528** |

*Treasury shares held* include the cost incurred for purchase of the treasury shares and related transaction costs. In the first half of 2021, 254,133 shares were purchased (equal to 0.538% of the share capital) for a total value of €5,994 thousand.

The *Stock Option reserve* refers to the allocation recognised under *personnel costs* (to which reference should be made for details) on the 2020-2022 Stock Option Plan (€1,797 thousand) and on the 2021-2023 Stock Option Plan (€13 thousand).

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

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

The positive change of €13,277 thousand in the item *Other reserves* is mainly affected by the Group profit for the year 2020 equal to €37,279 thousand net of the dividends approved by the Parent Company for €11,985 thousand and the allocation to the Legal reserve for €1,359 thousand, as well as the adjustment of the *Put* options on minority interests equal to €10,662 thousand.

## 28. PROVISIONS

Provisions, amounting to €4,218 thousand at 30 June 2021 (€4,223 thousand at 31 December 2020) are detailed as follows:

| *€ '000* | **31/12/2020** | **Provisions** | **Uses** | **Releases** | **Reclassifications** | **30/06/2021** |
|---|---|---|---|---|---|---|
| Provision for pensions | 1,181 | 106 | -42 | | | 1,245 |
| Other non-current provisions | 2,290 | 444 | -259 | | | 2,475 |
| **Non-current provisions** | **3,471** | **550** | **-300** | **0** | **0** | **3,721** |
| Provision for disputes with employees | 436 | | -127 | | | 310 |
| Other current provisions | 316 | | -128 | | | 188 |
| **Current provisions** | **752** | **0** | **-255** | **0** | **0** | **498** |
| **Provisions** | **4,223** | **550** | **-555** | **0** | **0** | **4,218** |

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

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

The *provision for disputes with employees* includes allocations for disputes with current employees or with employees whose contracts were terminated at 30 June 2021. The amounts allocated for disputes with employees, net of releases, are recognised by nature under *personnel costs*.

### *Other information*

In May 2019, the subsidiary Visura S.p.A. was subject to a personal data breach following which the Italian Data Protection Authority started an investigation of InfoCert S.p.A. requesting information and inspections at the Company's offices. At the present time, this investigation has not yet been completed. Therefore it cannot be excluded that the Italian Data Protection Authority will open a sanctioning procedure. At the reporting date, it is not possible to anticipate with certainty if sanctions will be imposed, nor what they might amount to if this should occur.

## 29. EMPLOYEE BENEFITS

Employee benefits, amounting to €17,759 thousand at 30 June 2021 (€12,923 thousand at 31 December 2020) are detailed as follows:

| *€ '000* | **30/06/2021** | **31/12/2020** | **Change** |
|---|---|---|---|
| Employee severance indemnity | 17,759 | 12,792 | 4,968 |
| **Non-current employee benefits** | **17,759** | **12,792** | **4,968** |
| Other current employee benefits | 0 | 131 | -131 |
| **Current employee benefits** | **0** | **131** | **-131** |
| **Employee benefits** | **17,759** | **12,923** | **4,837** |

The increase in the item *Employee Severance Indemnity* was affected by the balances contributed at the date of first-time consolidation by the companies that entered the consolidation scope during the first half of the year, for a total of €4,411 thousand. The remaining increase was due to provisions accrued in the half-year, net of benefits paid (€790 thousand).

The item *Other employee benefits* at 31 December 2020 included the provision relating to a long-term incentive programme for the management of InfoCert S.p.A., which was disbursed during the first half of the year.

## 30. FINANCIAL LIABILITIES, EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS

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

| *€ '000* | **30/06/2021** | **31/12/2020** | **Change** |
|---|---|---|---|
| Current portion of bank loans | 34,477 | 25,214 | 9,264 |
| Non-current portion of bank loans | 167,142 | 126,274 | 40,868 |
| Other current bank payables | 673 | 907 | -233 |
| Liabilities for the purchase of minority interests, current | 1,203 | 0 | 1,203 |
| Liabilities for the purchase of minority interests, non-current | 67,126 | 12,554 | 54,572 |
| Liabilities for current contingent consideration | 7,225 | 3,818 | 3,407 |
| Liabilities for non-current contingent consideration | 60 | 317 | -257 |
| Current price deferment liabilities | 1,246 | 2,763 | -1,517 |
| Non-current price deferment liabilities | 1,638 | 2,774 | -1,137 |
| Liabilities for the purchase of current leased assets | 5,280 | 4,282 | 998 |
| Liabilities for the purchase of non-current leased assets | 11,636 | 8,588 | 3,048 |
| Current payables to other lenders | 4,494 | 3,382 | 1,112 |
| **Current financial liabilities** | **54,598** | **40,365** | **14,234** |
| ***of which vs. related parties*** | **1,212** | **1,248** | ***-36*** |
| **Non-current financial liabilities** | **247,601** | **150,508** | **97,093** |
| ***of which vs. related parties*** | ***1,334*** | ***2,269*** | ***-935*** |
| **Total financial liabilities** | **302,199** | **190,872** | **111,327** |

The Financial liabilities balance increased from €190,872 thousand at 31 December 2020 to €302,199 thousand at 30 June 2021. The increase of €111,327 thousand is mainly attributable to the item Bank loans, which was up by €50,132 thousand for new disbursements (net of repayments over the half-year), and to the item Liabilities for the purchase of minority interests for €55,775 thousand due to the *Put* options relating to the acquisitions of Corvallis Srl, Yoroi Srl and Queryo Advance Srl, as well as the adjustment of the *Put* options already included at 31 December 2020.

The expiry of non-current financial liabilities is expected beyond 5 years from the date of these Condensed Consolidated Interim Financial Statements in the amount of €5,891 thousand, of which €4,246 thousand for bank loans and €1,645 thousand for lease liabilities. The financial liabilities recognised in the Condensed Interim Consolidated Financial Statements at 30 June 2021 are summarised below, broken down according to their contractually envisaged due date:

| *Amounts in Euro* | within one year | between 1 and 2 years | between 2 and 3 years | between 3 and 4 years | between 4 and 5 years | more than 5 years | Book value at 30/06/2021 |
|---|---|---|---|---|---|---|---|
| Bank loans | 34,477 | 39,632 | 37,586 | 44,277 | 41,401 | 4,246 | **201,619** |
| Other current bank payables | 673 | | | | | | **673** |
| Liabilities for the purchase of minority interests | 1,203 | 967 | 58,907 | 7,252 | | | **68,329** |
| Liabilities for contingent consideration | 7,225 | 60 | | | | | **7,285** |
| Price deferment liabilities | 1,246 | 1,247 | 243 | 147 | | | **2,884** |
| Lease liabilities | 5,280 | 3,732 | 2,702 | 2,051 | 1,504 | 1,645 | **16,915** |
| Liabilities to other lenders | 4,494 | 0 | | | | | **4,494** |
| **Total financial liabilities** | **54,598** | **45,638** | **99,439** | **53,727** | **42,906** | **5,891** | **302,199** |

## *Bank loans*

Breakdown of the *Bank loans* at 30 June 2021 showing the current and non-current portions of their book value, including the effects of measurement at amortised cost.

| **Bank loans** *€ '000* | **Counterparty** | **Rate** | **Maturity date** | **Nominal amount** | **Book value** | **Current portion** | **Non-current portion** |
|---|---|---|---|---|---|---|---|
| Former UBI loan | Former UBI Banca | 6-month Euribor[1] + 1.20% spread | 28/05/2023 | 10,000 | 9,918 | 4,945 | 4,973 |
| BPS loan | Banca Popolare di Sondrio | 6-month Euribor[1] + 1.25% spread[2] | 31/12/2023 | 5,000 | 4,969 | 1,982 | 2,988 |
| Credem loan | Credem | 6-month Euribor + 1.20% spread | 30/01/2024 | 2,611 | 2,604 | 1,001 | 1,603 |
| CA line C loan | Crédit Agricole | 6-month Euribor + 1.50% spread [2] | 31/12/2024 | 10,500 | 10,431 | 2,968 | 7,463 |
| CA line A loan | Crédit Agricole | 6-month Euribor + 1.10% spread[2] | 30/06/2025 | 25,960 | 24,971 | 3,529 | 21,442 |
| CA line B loan | Crédit Agricole | 6-month Euribor + 1.10% spread[2] | 30/06/2025 | 8,889 | 8,824 | 2,195 | 6,629 |
| Mediobanca loan | Mediobanca | 6-month Euribor + 1.65% spread[2] | 11/11/2025 | 15,000 | 14,937 | 3,324 | 11,613 |
| BNL loan | BNL | 6-month Euribor + 1.45% spread | 31/12/2025 | 19,500 | 19,320 | 1,645 | 17,675 |
| ISP Group line A1 loan | Intesa Sanpaolo Group | 6-month Euribor + 0.9% spread | 30/06/2026 | 46,200 | 44,956 | 7,397 | 37,559 |
| ISP Group line A2 loan | Intesa Sanpaolo Group | 6-month Euribor + 1.15% spread | 30/06/2026 | 28,800 | 28,489 | 2,326 | 26,163 |
| ICCREA-BCC loan | ICCREA-BCC | 6-month Euribor[1] + 1.00% spread | 15/12/2026 | 10,000 | 9,910 | 972 | 8,939 |
| BPM loan | Banco BPM | 6-month Euribor + 1.20% spread | 31/12/2026 | 10,000 | 9,968 | -9 | 9,977 |
| BPER loan | BPER | 6-month Euribor + 1.25% spread[2] | 31/12/2027 | 9,286 | 9,190 | 1,403 | 7,788 |
| Other minor loans | | Fixed rate | | 3,076 | 3,069 | 781 | 2,288 |
| Other minor loans | | Floating rate | | 64 | 64 | 20 | 44 |
| | | | | **204,885** | **201,619** | **34,477** | **167,142** |

*[1] Floor at 0 on 6-month Euribor*
*[2] Spread subject to change on the NFP/EBITDA parameter defined contractually*

The **former UBI loan** signed on 28 May 2020 to renegotiate the loan obtained on 30 November 2017, originally for €10 million with the same counterparty. The new line for a total of €10 million (replacing the previous line for €7,778 thousand, therefore collecting €2,222 thousand in principal at the renegotiation date) matures on 28 May 2023, envisages principal repayments in deferred semi-annual instalments from 28 November 2021 and interest at the floating 6-month Euribor rate, with zero floor, plus a 120 bps margin. The interest is payable half-yearly from 28 November 2020. From 31 December 2020 and for each reference half-year, the Group has committed to respect the following financial limits: *NFP/EBITDA* less than 3.5 and *NFP/*Shareholders' Equity below 2.0. At 30 June 2021 these parameters were found to have been complied with.

**BPS loan** of an original amount of €10 million to support the acquisition of Lux Trust S.A. The loan was disbursed on 27 November 2018 at 6-month Euribor with a zero floor, plus 140 bps, and requires repayment of principal in half-yearly instalments starting from 30 June 2019 and terminating on 31 December 2023, with interest paid on a half-yearly basis starting from 30 June 2019. The applicable margin is updated annually based on the ratio of NFP to EBITDA determined contractually, as follows: *NFP/EBITDA* ≥ 3 margin 165 bps; *NFP/EBITDA* <3 and ≥ 2 margin 140 bps; *NFP/EBITDA* <2 margin 125 bps. From 31 December 2018 and for each reference half-year, the Group has committed to respect the following financial limits: *NFP/EBITDA* less than 3.5 and NFP/Shareholders' Equity below 2.0. At 30 June 2021 these parameters were found to have been respected. Based on the parameters indicated above, the actual margin paid was 125 bps.

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

A €15 million **Crédit Agricole line C loan** was drawn down on 28 June 2019 to meet the financial commitment deriving from the repayment of the loan with the Ultimate Parent Tecno Holding S.p.A. The main terms of the contract are as follows: ends on 31 December 2024, repayment of equal semi-annual instalments of principal with a first pre-amortisation period (until 31 December 2019) and interest settled at the floating 6-month Euribor rate plus a margin of 135 bps; the applicable margin is updated every six months based on the ratio of NFP to EBITDA, defined contractually, as follows: NFP/EBITDA > 2 margin 150 bps; NFP/EBITDA ≤ 2 and > 1.5 margin 135 bps; NFP/EBITDA ≤ 1.5 margin 120 bps.

The **Crédit Agricole line A loan** was signed on 18 June 2020 with a pool of banks, with Crédit Agricole Italia S.p.A. as the mandated lead arranger, to renegotiate the previous **Crédit Agricole line A** and **Crédit Agricole line B loans** (which had in turn been renegotiated in 2017 with the same counterparties) due on 30 June 2023. The new **line A** for a total of €31 million (replacing the previous line for €30,625 thousand, therefore collecting €375 thousand net of commissions at the renegotiation date) matures on 30 June 2025, envisages principal repayments in deferred semi-annual instalments from 31 December 2020 and interest at the floating 6-month Euribor rate plus a 110 bps margin. The margin applied is updated annually on the basis of the contractually defined NFP/EBITDA ratio as follows: NFP/EBITDA > 1.75 margin110 bps; NFP/EBITDA ≤ 1.75 margin 105 bps.

The loan agreement executed on 18 June 2020 envisages an additional credit facility (**Crédit Agricole line B**) for €10 million, which had been disbursed in full on 10 December 2020. The main terms of the new line are: due on 30 June 2025, repayment of principal in deferred semi-annual instalments and interest settled at the floating 6-month EURIBOR rate plus a margin of 110 bps; the applicable margin is updated every six months based on the ratio of NFP (i.e. Net Financial Position) to EBITDA, defined contractually, as follows: NFP/EBITDA >1.75 margin 110 bps; NFP/EBITDA ≤ 1.75 margin 105 bps.

On the Crédit Agricole loans, the Company is committed, for each reference half-year, to respecting the following limits: maximum *NFP/EBITDA* ratio threshold of 3.5 and *NFP/Shareholders' Equity* ratio of 2.0. At 30 June 2021 these parameters were found to have been respected.

The **BNL loan** for a total of €20 million, usable on demand by 20 December 2020, for which Tinexta S.p.A. signed the agreement on 20 December 2019. The loan was used in its entirety to finance payment of the price supplement and the acquisition of the minority interests in Warrant Hub. The rate applied is the 6-month Euribor plus 145 bps and requires repayment of principal in increasing semi-annual instalments starting from 30 June 2021 and maturing on 31 December 2025, with interest paid semi-annually starting from 31 December 2020. From 31 December 2018 and for each reference half-year, the Group has committed to respect the following financial limits: *NFP/EBITDA* less than 3.5 and NFP/Shareholders' Equity below 2.0. At 30 June 2021 these parameters were found to have been respected.

The **Intesa Sanpaolo loan** was stipulated on 31 July 2020 with Intesa Sanpaolo in order to renegotiate the previous loan of €50 million, also with Intesa Sanpaolo, maturing on 31 December 2025. The new **A1 line** for a total of €50 million (replacing the previous line for €47,540 thousand, including commissions, therefore collecting €2460 thousand, net of commissions, at the renegotiation date) terminates on 30 June 2026, envisages principal repayments in deferred semi-annual instalments from 30 June 2021 and interest at the floating 6-month Euribor rate plus a 90 bps margin. For IFRS 9 purposes, the transaction qualifies as a renegotiation without accounting derecognition of the financial liability and generated income recognised under *Financial income* of €365 thousand. The Group undertook to respect the following financial limits on the consolidated data: *NFP/EBITDA* less than 3.5 and NFP/Shareholders' Equity less than 2.0. At 30 June 2021 these parameters were found to have been respected. The executed loan agreement envisages an additional credit line (**line A2**) for €30 million used in full on 25 January 2021. The main terms of the new line are: maturity on 30 June 2026, repayment of principal in deferred semi-annual instalments and interest settled at the floating 6-month Euribor rate plus a margin of 115 bps.

The **Mediobanca loan** was signed on 11 November 2020 and disbursed for €15 million on 30 December 2020. The main terms of the contract are as follows: maturity on 11 November 2025, repayment of semi-annual equal instalments of principal with a first pre-amortisation period (until 11 May 2021) and interest settled at the floating 6-month Euribor rate, with a zero floor, plus a margin of 165 bps; the applicable margin is updated every six months based on the ratio of NFP to EBITDA, defined contractually, as follows: NFP/EBITDA > 3 margin 190 bps; NFP/EBITDA ≤ 3 and > 2 margin 165 bps; NFP/EBITDA ≤ 2.0 margin 145 bps. The Group undertook to respect the following financial limits on the consolidated data: *NFP/EBITDA* less than 3.5 and NFP/Shareholders' Equity less than 2.0. At 30 June 2021 these parameters were found to have been respected.

The **ICCREA-BCC loan** was signed on 15 December 2020 with a pool of banks comprising ICCREA Banca and BCC Milano for €10 million. The amount was fully disbursed on 29 January 2021. The main terms of the contract are as follows: maturity on 15 December 2026, repayment of semi-annual equal instalments of principal with a first pre-amortisation period (until 31 December 2021) and interest settled at the floating 6-month Euribor rate with a zero floor, plus a margin of 100 bps. The Group undertook to respect the following financial limits on the consolidated data: *NFP/EBITDA* less than 3.5 and NFP/Shareholders' Equity less than 2.0.

The **BPM loan** was finalised and fully disbursed on 30 April 2021 for €10 million. The main terms of the agreement are as follows: maturity on 31 December 2026, repayment of semi-annual equal instalments of principal with a first pre-amortisation period (until 30 June 2022) and interest settled at the floating 6-month Euribor rate, plus a margin of 120 bps. From 31 December 2021, the Group undertook to respect the following financial limits on the consolidated data: NFP/EBITDA less than 3.5 and NFP/Shareholders' Equity less than 2.0.

The **BPER Loan** was signed on 19 February 2021 for €10 million, the amount was fully disbursed on 24 February 2021. The main terms of the new agreement are: maturity on 31 December 2027, repayment of principal in semi-annual equal instalments of principal starting on 30 June 2021 and interest settled at the floating 6-month Euribor rate plus a margin of 125 bps; the applicable margin is updated every six months based on the ratio NFP/EBITDA, defined contractually, as follows: NFP/EBITDA >1.75 margin 125 bps; NFP/EBITDA ≤ 1.75 margin 120 bps. The Group undertook to respect the following financial limits on the consolidated data: NFP/EBITDA less than 3.5 and NFP/Shareholders' Equity less than 2.0. At 30 June 2021 these parameters were found to have been respected.

Changes in *Bank loans*:

| *Amounts in Euro* | **31/12/2020** | **Disbursements** | **Principal payments** | **Interest paid** | **Accrued interest** | **30/06/2021** |
|---|---|---|---|---|---|---|
| Bank loans | **151,488** | 62,605 | -13,088 | -713 | 1,328 | **201,619** |

*Disbursements* for the period refer to **Intesa San Paolo, ICREEA-BCC, BPM, BPER** loans net of transaction costs incurred for the disbursement and other minor loans for a total of €3,200 thousand.

### *Other current bank payables*

*Other current bank payables* amounted to €673 thousand at 30 June 2021 (€907 thousand at 31 December 2020) and are composed primarily of bank current account overdrafts.

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

The item *Liabilities for the purchase of minority interests* includes the liabilities for Put options granted by the Group to the minority shareholders of Corvallis S.r.l. (30%), Yoroi S.r.l. (40%), Queryo Advance S.r.l. (40%), Swascan S.r.l. (49%), Privacy Lab S.r.l. (30%), Sixtema S.p.A. (20%) and Trix S.r.l. (30%). The value of these liabilities was determined as the current value of the amount to be paid at the contractual maturities against the reversal of the interests of these minority shareholders. At 30 June 2021, the discount rate used was equal to the WACC used for the purposes of the impairment test of the goodwill at 31 December 2020 (6.51%).

| *€ '000* | **30/06/2021** | *30/06/2021* | | **31/12/2020** | *31/12/2020* | | **Change** |
|---|---|---|---|---|---|---|---|
| | | *Current* | *Non-current* | | *Current* | *Non-current* | |
| Corvallis Put options | **24,581** | | *24,581* | **0** | | | **24,581** |
| Yoroi Put options | **23,546** | | *23,546* | **0** | | | **23,546** |
| Swascan Put options | **10,780** | | *10,780* | **10,448** | | *10,448* | **332** |
| Queryo Advance Put Options | **7,245** | | *7,245* | **0** | | | **7,245** |
| PrivacyLab Put options | **1,203** | *1,203* | | **1,166** | | *1,166* | **37** |
| Sixtema Put options | **967** | | *967* | **937** | | *937* | **30** |
| Trix Put options | **6** | | *6* | **3** | | *3* | **3** |
| **Total Liabilities for the purchase of minority interests** | **68,329** | *1,203* | *67,126* | **12,554** | *0* | *12,554* | **55,775** |

Changes in liabilities for the purchase of minority interests are recognised in the shareholders' equity.

### *Liabilities for contingent consideration*

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

| *€ '000* | **30/06/2021** | *30/06/2021* | | **31/12/2020** | *31/12/2020* | | **Change** |
|---|---|---|---|---|---|---|---|
| | | *Current* | *Non-current* | | *Current* | *Non-current* | |
| Corvallis contingent consideration | **3,738** | *3,738* | | **0** | | | **3,738** |
| Swascan contingent consideration | **2,061** | *2,061* | | **2,061** | *2,061* | | **0** |
| Queryo Advance contingent consideration | **988** | *988* | | **0** | *0* | | **988** |
| Euroquality - Europroject contingent consideration | **498** | *438* | *60* | **2,074** | *1,757* | *317* | **-1,576** |
| **Total liabilities for contingent consideration** | **7,285** | **7,225** | **60** | **4,135** | **3,818** | **317** | **3,150** |

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

Also note the payment, during the period, to the selling company Euroquality of the contingent consideration totalling €1,616 thousand.

### *Price deferment liabilities*

*Price deferment liabilities* represent the payable at the reporting date referring to deferments obtained from the selling shareholders of Warrant Hub S.p.A., Comas S.r.l., Promozioni Servizi S.r.l.

Changes in *Price deferment liabilities*:

| *Amounts in Euro* | 31/12/2020 | Principal payments | Interest paid | Accrued interest | 30/06/2021 |
|---|---|---|---|---|---|
| Price deferment liabilities | **5,537** | -2,602 | -86 | 35 | **2,884** |

### *Lease liabilities*

*Lease liabilities* includes the present value of payments due on the leases falling under the application of IFRS 16.

Changes of *lease liabilities*:

| *Amounts in Euro* | 31/12/2020 | New leases | Principal payments | Interest paid | Accrued interest | Change in scope of consolidation - Acquisitions | *Other no cash flow changes* | 30/06/2021 |
|---|---|---|---|---|---|---|---|---|
| Lease liabilities | **12,870** | 1,061 | -2,813 | -141 | 149 | 5,286 | 503 | **16,915** |

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

### *Liabilities to other lenders*

*Liabilities to other lenders* amounted to €4,494 thousand (€3,382 thousand at 31 December 2020). The item includes

- €2,894 thousand prepaid by customers for the purchase of stamps and rights and not yet used at 31 December 2020 (€2,155 thousand at 31 December 2020);
- €815 thousand of payables for dividends to be paid (€659 thousand of Queryo Advance Srl and €157 thousand of the parent company Tinexta SpA);
- €626 thousand of payables to customers for amounts recovered to be retroceded as part of the credit collection activities of the *Credit Information & Management* segment (€797 thousand at 31 December 2020);
- €155 thousand in liabilities of Warrant Hub in relation to the cash collected for projects and initiatives approved by the European Commission and to be paid to the partner companies in such projects and initiatives (€425 thousand at 31 December 2020).

## 31. TRADE AND OTHER CURRENT PAYABLES

The item *Trade and other current payables* totalled €79,949 thousand (€60,249 thousand at 31 December 2020) and can be detailed as follows:

| *€ '000* | **30/06/2021** | **31/12/2020** | **Change** |
|---|---|---|---|
| Trade payables due to suppliers | 41,508 | 34,313 | 7,195 |
| Trade payables to ultimate parent | 75 | 169 | -94 |
| Trade payables to associated companies | 310 | 98 | 212 |
| **Trade payables** | **41,893** | **34,580** | **7,313** |
| Due to social security institutions | 8,828 | 6,717 | 2,111 |
| VAT liability | 6,267 | 3,826 | 2,441 |
| Payable for withholding taxes to be paid | 3,443 | 2,683 | 760 |
| Other tax liabilities | 474 | 0 | 474 |
| Payables to employees | 18,456 | 12,011 | 6,445 |
| Due to others | 587 | 432 | 155 |
| **Other current payables** | **38,055** | **25,669** | **12,386** |
| **Trade and other current payables** | **79,949** | **60,249** | **19,700** |
| ***of which vs. related parties*** | ***368*** | ***280*** | ***88*** |

The increase in the item *Trade payables* was affected by the balances contributed at the date of first-time consolidation by the companies that entered the consolidation scope during the first half of the year, for a total of €9,036 thousand. *Trade payables due to suppliers* are summarised below by past due brackets:

| *€ '000* | **Trade payables due to suppliers** | **Accruals and invoices to be received** | **Invoices received** | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | due | past due within 90 days | past due between 91 and 180 days | past due between 181 days and 1 year | past due beyond 1 year |
| 30 June 2021 | **41,508** | **21,398** | **20,110** | 14,964 | 3,698 | 750 | 265 | 433 |
| 31 December 2020 | **34,313** | **17,289** | **17,024** | 13,700 | 2,429 | 224 | 373 | 299 |

The increase in the item *Payables to social security institutions* and *Payables to employees* was affected by the balances contributed by the companies that entered the scope of consolidation in the first half of 2021 in relation to the personnel transferred to the Group. The item *Payables to employees* includes payables for wages to be paid, pay in lieu of vacation, expense reports to be reimbursed and bonuses to be paid.

## 32. CONTRACT LIABILITIES

*Contract liabilities* represent the Group's obligation to transfer to the customer goods or services for which the Group has received consideration from the customer or for which consideration is due. This item includes deferred trade income, advances and thus prepaid trade amounts, the gross amount due to customers for project work and the value of options (material rights) which allow the customer to acquire additional goods or services free of charge or with a discount. This item was equal to €70,599 thousand at 30 June 2021 (of which €115 thousand due to related parties), and can be broken down as follows:

| *€ '000* | **31/12/2020** | **Decreases in revenues 1st half 2021** | **Increases** | **Reclassifications** | **Change in Scope - *Acquisitions*** | **30/06/2021** |
|---|---|---|---|---|---|---|
| Non-current contract liabilities | 10,961 | 0 | 7,885 | -3,023 | 0 | **15,824** |
| Current contract liabilities | 46,411 | -35,024 | 31,159 | 3,023 | 9,207 | **54,776** |
| **Contract liabilities** | **57,372** | **-35,024** | **39,044** | **0** | **9,207** | **70,599** |

## 33. DEFERRED INCOME

The item *Deferred income* totalled €2,130 thousand (€1,857 thousand at 31 December 2020) and includes primarily deferrals for government grants.

## Information on the Comprehensive Income Statement

Compared to the first half of 2020, the consolidated income statement data of first half 2021 include the balances of the first six-months of

- Corvallis S.r.l. (*Cybersecurity* segment) consolidated as from 1 January 2021;
- Queryo Advance S.r.l. (*Innovation & Marketing Services* segment) consolidated as from 1 January 2021;
- Swascan S.r.l. (*Cybersecurity* segment) consolidated as from 1 October 2020;
- Euroquality S.A.S. and Europroject O.O.D. (*Innovation & Marketing Services* segment) consolidated as from 31 December 2020;
- Trix S.r.l. (*Innovation & Marketing Services* segment) established at the end of December 2020; and
- Tinexta Cyber S.p.A. (*Cybersecurity* segment) established in January 2021.

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

As already commented in Note *12. Business Combinations* to the Annual Consolidated Financial Statements at 31 December 2020, in relation to the completion of activities for the identification of the fair values of the assets and liabilities of Privacy Lab S.r.l., at the acquisition date, the comparative balances in the first half of 2020 were re-determined as follows:

| *€ '000* | Six-month period closed at 30 June 2020 | Completion of Privacy Lab Business Combination | Six-month period closed at 30 June 2020 *Restated* |
|---|---|---|---|
| **Revenues** | **123,817** | | **123,817** |
| Costs of raw materials | 4,515 | | 4,515 |
| Service costs | 39,905 | | 39,905 |
| Personnel costs | 40,239 | | 40,239 |
| Contract costs | 3,831 | | 3,831 |
| Other operating costs | 915 | | 915 |
| Amortisation and depreciation | 10,521 | 77 | 10,598 |
| Provisions | 360 | | 360 |
| Impairment | 1,878 | | 1,878 |
| **Total Costs** | **102,164** | **77** | **102,241** |
| **OPERATING PROFIT** | **21,653** | **-77** | **21,576** |
| Financial income | 951 | | 951 |
| Financial charges | 1,370 | | 1,370 |
| **Net financial income (charges)** | **-419** | **0** | **-419** |
| Share of profit of equity-accounted investments, net of tax effects | 91 | | 91 |
| **PROFIT BEFORE TAX** | **21,325** | **-77** | **21,248** |
| Income taxes | 5,334 | -21 | 5,312 |
| **NET PROFIT FROM CONTINUING OPERATIONS** | **15,991** | **-56** | **15,936** |
| Profit (loss) from discontinued operations | 0 | 0 | 0 |
| **NET PROFIT** | **15,991** | **-56** | **15,936** |
| Profit for the period attributable to the Group | 15,785 | -50 | 15,735 |
| Profit for the period attributable to minority interests | 206 | -6 | 201 |

## 34. REVENUES

In the first half of 2021, *Revenues* totalled €177,813 thousand (€123,817 thousand in the first half of 2020). The increase compared to the first half of 2020 was 43.6% (€53,996 thousand), of which 31.0% (€38,398 thousand) due to the change in the scope of consolidation and 12.6% (€15,597 thousand) to organic growth.

| *€ '000* | *Six-month period closed at 30 June* | | |
|---|---|---|---|
| | **2021** | **2020** | **Change** |
| Revenues from sales and services | 175,362 | 122,445 | 52,917 |
| Other revenues and income | 2,451 | 1,372 | 1,079 |
| **Revenues** | **177,813** | **123,817** | **53,996** |
| ***of which vs. related parties*** | ***100*** | ***78*** | ***23*** |
| ***of which non-recurring*** | ***0*** | ***74*** | ***-74*** |

Breakdown of revenues by business segment:

| *€ '000*<br>***Six-month period closed at 30 June*** | ***Digital Trust*** | | ***Cybersecurity*** | | ***Credit Information & Management*** | | ***Innovation & Marketing Services*** | | **Other sectors (Holding costs)** | | ***Total*** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
| Segment revenues | 63,618 | 55,433 | 34,623 | 0 | 38,706 | 35,273 | 41,664 | 33,700 | 1,178 | 1,060 | 179,788 | 125,466 |
| Intra-segment revenues | 205 | 337 | 190 | 0 | 345 | 236 | 58 | 15 | 1,178 | 1,060 | 1,975 | 1,648 |
| **Revenues from third parties** | **63,413** | **55,096** | **34,433** | **0** | **38,360** | **35,037** | **41,606** | **33,685** | **1** | **0** | **177,813** | **123,817** |

### *Revenues from sales and services*

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

| *€ '000* | **1st half 2021** | | | | | **1st half 2020** | | | |
|---|---|---|---|---|---|---|---|---|---|
| | *Digital Trust* | *Credit Information & Management* | *Innovation & Marketing Services* | *Cybersecurity* | **Total** | *Digital Trust* | *Credit Information & Management* | *Innovation & Marketing Services* | **Total** |
| Italy | 59,817 | 38,151 | 38,386 | 33,258 | 169,612 | 51,074 | 34,880 | 32,424 | 118,379 |
| EU | 2,791 | 46 | 2,277 | 42 | 5,156 | 3,144 | 41 | 507 | 3,693 |
| Non-EU | 233 | 98 | 60 | 204 | 594 | 281 | 69 | 24 | 374 |
| *Total by Geographical area* | *62,841* | *38,294* | *40,723* | *33,504* | **175,362** | *54,499* | *34,990* | *32,956* | **122,445** |
| Digital Trust products | 30,551 | | | | 30,551 | 25,837 | | | 25,837 |
| Digital Trust solutions | 18,608 | | | | 18,608 | 15,947 | | | 15,947 |
| Data distribution platforms, software and electronic services | 13,683 | | | | 13,683 | 12,715 | | | 12,715 |
| Commercial information and credit recovery | | 24,909 | | | 24,909 | | 24,065 | | 24,065 |
| Real estate information and real estate appraisal services | | 13,385 | | | 13,385 | | 10,925 | | 10,925 |
| Marketing consulting | | | 9,558 | | 9,558 | | | 6,241 | 6,241 |
| Innovation consulting | | | 17,904 | | 17,904 | | | 19,601 | 19,601 |
| Other innovation services | | | 13,261 | | 13,261 | | | 7,114 | 7,114 |
| Cybersecurity products and services | | | | 33,504 | 33,504 | | | | 0 |
| Total by type of product/service | *62,841* | *38,294* | *40,723* | *33,504* | **175,362** | *54,499* | *34,990* | *32,956* | **122,445** |

*Other revenues and income*

| € '000 | Six-month period closed at 30 June | | |
|---|---|---|---|
| | 2021 | 2020 | Change |
| Government grants | 2,131 | 1,043 | 1,088 |
| Capital gains on the sale of assets | 25 | 46 | -22 |
| Rental income on investment property | 23 | 23 | 0 |
| Other | 272 | 260 | 13 |
| **Other revenues and income** | **2,451** | **1,372** | **1,079** |
| ***of which non-recurring*** | ***0*** | ***74*** | ***-74*** |

*Other revenues and income* amounted to €2,451 thousand (€1,372 thousand in the first half of 2020).

## 35. COSTS OF RAW MATERIALS

In the first half of 2021, *costs of raw material* totalled €5,970 thousand (€4,515 thousand in the first half of 2020). The increase compared to the first half of 2020 was 32.2% (€1,456 thousand), of which 7.8% (€351 thousand) due to the change in the scope of consolidation and 24.5% (€1,104 thousand) to organic growth.

| € '000 | Six-month period closed at 30 June | | |
|---|---|---|---|
| | 2021 | 2020 | Change |
| Hardware, software | 5,886 | 4,567 | 1,318 |
| Change in inventories of raw and ancillary materials, consumables and goods | 85 | -53 | 138 |
| **Costs of raw materials** | **5,970** | **4,515** | **1,456** |

## 36. SERVICE COSTS

In the first half of 2021, *service costs* totalled €56,111 thousand (€39,905 thousand in the first half of 2020). The increase compared to the first half of 2020 was 40.6% (€16,207 thousand), of which 23.6% (€9,412 thousand) due to the change in the scope of consolidation and 17.0% (€6,795 thousand) to organic growth.

| € '000 | Six-month period closed at 30 June | | |
|---|---|---|---|
| | 2021 | 2020 | Change |
| Technical services | 27,178 | 16,254 | 10,924 |
| IT structure costs | 7,964 | 5,425 | 2,539 |
| Access to databases and commercial information | 5,807 | 5,753 | 54 |
| Outsourcing services | 4,255 | 2,860 | 1,395 |
| Specialist professional services | 2,937 | 2,482 | 455 |
| Advertising, marketing and communication | 2,465 | 2,202 | 262 |
| Property, plant and vehicle management costs | 1,478 | 951 | 527 |
| Consultancy | 1,451 | 846 | 605 |
| Utilities and telephone costs | 806 | 632 | 174 |
| Travel, assignments, and lodging expenses | 754 | 783 | -29 |
| Banking costs | 649 | 462 | 187 |
| Costs for agent network | 572 | 417 | 155 |
| Other costs of the commercial network | 482 | 693 | -211 |
| Insurance | 430 | 330 | 100 |
| Remuneration of the Board of Statutory Auditors and Supervisory Body | 339 | 295 | 44 |
| Rental costs excluding IFRS 16 | 307 | 186 | 121 |
| Independent auditors' fees for audit and other services | 281 | 211 | 70 |
| Other service costs | 726 | 788 | -62 |
| Capitalised service costs | -2,770 | -1,667 | -1,103 |
| **Service costs** | **56,111** | **39,905** | **16,207** |
| ***of which vs. related parties*** | ***1,032*** | ***802*** | ***230*** |
| ***of which non-recurring*** | ***1,115*** | ***526*** | ***589*** |

*Technical services* represent professional and technical services relating to the Group's ordinary operations, which can be potentially insourced and are activated only for technical and organisational reasons or business practice. These include €10,089 thousand relating to the Digital Trust segment (€8,619 thousand in the first half of 2020), €6,299 thousand to the Credit Information & Management segment (€4,729 thousand in the first half of 2020) and €5,735 thousand relating to the Innovation & Marketing Services segment (€2,906 thousand in the first half of 2020) and €5,054 thousand to the Cybersecurity segment.

Non-recurring items are recognised for €840 thousand in *Specialist professional services* and for €275 thousand in *Consultancy* and relate to expenses incurred for acquisitions of target companies.

Capitalised service costs refer for €1,107 thousand (€668 thousand in 2020) to costs incurred for fulfilling contract obligations for the external costs incurred in Digital Trust to implement "ad hoc" customer platforms to provide a series of services within a time frame of over twelve months, and for external costs sustained for the provision of consulting services, primarily relating to innovation consulting in Innovation & Marketing Services, for which the related revenue has not yet been recognised. The additional capitalised costs of €1,663 thousand (€998 thousand in 2020) refer to software development activities, in particular in Digital Trust.

## 37. PERSONNEL COSTS

*Personnel costs* totalled €70,453 thousand (€40,239 thousand in the first half of 2020). The increase compared to the first half of 2020 was 75.1% (€30,213 thousand), of which 58.2% (€23,436 thousand) due to the change in the scope of consolidation and 16.8% (€6,777 thousand) to organic growth.

| *€ '000* | *Six-month period closed at 30 June* | | |
|---|---|---|---|
| | **2021** | **2020** | **Change** |
| Wages and salaries | 48,200 | 27,680 | 20,521 |
| Social security contributions | 14,452 | 8,468 | 5,984 |
| Employee severance indemnity | 2,924 | 1,748 | 1,176 |
| Retirement incentives | 51 | 170 | -119 |
| Provisions for stock options | 903 | 39 | 864 |
| Other personnel costs | 1,881 | 1,284 | 597 |
| Capitalised personnel costs | -1,749 | -1,651 | -99 |
| Directors' fees | 3,371 | 2,232 | 1,139 |
| Ongoing partnerships | 420 | 270 | 151 |
| **Personnel costs** | **70,453** | **40,239** | **30,213** |

The increase in costs for wages and salaries, social security charges and post-employment benefits is consistent with the increase in the average number of employees employed in the Group compared to the first half of 2020.

Table indicating the number of employees at 30 June 2021 and the average number of employees in the first half of 2021 compared with the figure for in the first half of 2020:

| ***Number of employees*** | ***30/06/2021*** | ***Average number in six-month period closed at 30 June*** | |
|---|---|---|---|
| | | **2021** | **2020** |
| Senior Management | 70 | 67 | 42 |
| Middle Management | 295 | 290 | 176 |
| Employees | 1,844 | 1,762 | 1,090 |
| **Total** | **2,209** | **2,119** | **1,308** |

Capitalised personnel costs refer for €541 thousand (€680 thousand in the first half of 2020) to costs incurred for fulfilling contract obligations for personnel costs sustained in Digital Trust in order to implement "ad hoc" customer platforms to provide a series of services within a time frame of over twelve months, and for costs sustained for the provision of consulting services, primarily relating to innovation consulting in Innovation & Marketing Services, for which the relative revenue has not yet been recognised. The additional capitalised costs of €1,208 thousand (€970 thousand in 2020) refer to software development activities, in particular in Digital Trust.

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

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

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

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

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

The accrued cost recognised in the first half of 2021 for the aforementioned plan, under personnel costs, was €889 thousand.

### Information on the 2021-2023 Stock Option Plan

On 23 June 2021, after obtaining opinion from the Remuneration Committee, the Board of Directors resolved to allocate options in execution of the long-term stock-based scheme known as the "2021-2023 Stock Option Plan" (hereinafter also "Plan"), as approved by the Shareholders' Meeting on 27 April 2021. The Plan envisages the allocation of a maximum 300,000 options. In particular, among the executive directors, executives with strategic responsibilities and/or other employees and managerial roles in the Company and/or subsidiaries, the Board of Directors has identified 3 beneficiaries to whom a total of 190,000 options have been allocated. The options offer the right to purchase and, if appropriate, subscribe Company shares in the ratio of 1 share for every 1 option exercised. The Plan provides for a single option allocation cycle and envisages a vesting period of 36 months from the date the options are allocated to beneficiaries. Exercise of the options is subordinated to achieving EBITDA in the financial statements at 31 December 2023 of ≥ 80% of the approved budget value. If EBITDA proves to be ≥ 80% and ≥ 100%, the option vesting will be proportionate. The Options accrued may be exercised at the end of a 36-month Vesting Period as from the Allocation Date. The exercise price is established as €23.49, based on the arithmetic mean of official prices recorded by the Company's shares on the MTA market in the half-year prior to the option allocation date. Further details of the Plan can be found in the Information Document already disclosed to the public pursuant to Article 114-bis, Italian Legislative Decree no. 58 of 24 February 1998 (the "Consolidated Finance Act") and Article 84-bis, paragraph 1 of the Issuers' Regulation, in the Corporate Governance/Shareholders' Meeting/2021 section of the Company's web site (www.tinexta.com/assemblea-azionisti-2021), which will be updated in compliance with the provisions of Article 84-bis, paragraph 5 of the Issuers' Regulation.

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

At the grant date, 23 June 2021, the fair value for each option was equal to €12.00. The fair value of the options assigned was calculated by an independent expert, reflecting the "no arbitrage" and "risk neutral framework" characteristics common to the basic pricing models for options, by means of the calculation parameters indicated below:

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

The accrued cost recognised in the first half of 2021 for the aforementioned plan, under personnel costs, was €13 thousand.

## 38. CONTRACT COSTS

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

| *€ '000* | *Six-month period closed at 30 June* | | |
|---|---|---|---|
| | **2021** | **2020** | **Change** |
| Contract obtainment costs | 2,434 | 2,428 | 7 |
| Contract fulfilment costs | 1,616 | 1,404 | 212 |
| **Contract costs** | **4,050** | **3,831** | **219** |

## 39. OTHER OPERATING COSTS

*Other operating costs* totalled €958 thousand (€915 thousand in the first half of 2020). The increase compared to the first half of 2020 is equal to 4.8% (€44 thousand), of which 18.1% (€166 thousand) attributable to the change in the scope of consolidation and -13.3% (- €122 thousand) to the organic contraction.
These costs refer to items of a residual nature, the most significant of which include: donations, gifts and membership fees (€265 thousand) and sundry taxes and duties (€257 thousand).

## 40. AMORTISATION AND DEPRECIATION, PROVISIONS AND IMPAIRMENT

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

| *€ '000* | *Six-month period closed at 30 June* | | |
|---|---|---|---|
| | **2021** | **2020** | **Change** |
| Depreciation of property, plant and equipment | 4,262 | 3,372 | 890 |
| *of which leased* | *2,761* | *1,974* | *787* |
| Amortisation of intangible assets | 8,479 | 7,213 | 1,265 |
| Depreciation of investment property | 13 | 13 | 0 |
| **Amortisation and depreciation** | **12,754** | **10,598** | **2,155** |
| **Provisions** | **444** | **360** | **84** |
| **Impairment** | **670** | **1,878** | **-1,207** |

*Amortisation and depreciation* in the first half of 2021 amounted to €12,754 thousand (€10,598 thousand in 2020), of which €4,262 thousand referring to *property, plant and equipment* (€2,761 thousand on rights of use), €8,479 thousand to *intangible assets*, and €13 thousand to *investment property*. For further details regarding the breakdown of amortisation and depreciation and the impact of the change in the scope of consolidation, reference is made to Notes *13*, *14* and *15.*

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

The *Impairment* for the period (€670 thousand) refers entirely to the expected losses on trade receivables (in this regard, please refer to Note *21. Trade and other receivables*).

## 41. NET FINANCIAL INCOME (CHARGES)

*Net financial charges* totalled €1,794 thousand (€419 thousand in the first half of 2020).

| *€ '000* | *Six-month period closed at 30 June* | | |
|---|---|---|---|
| | **2021** | **2020** | **Change** |
| Financial income | 83 | 951 | -868 |
| *of which non-recurring* | *0* | *710* | *-710* |
| Financial charges | 1,877 | 1,370 | 506 |
| *of which vs. related parties* | *26* | *22* | *5* |
| **Net financial income (charges)** | **-1,794** | **-419** | **-1,374** |

### *Financial income*

| *€ '000* | *Six-month period closed at 30 June* | | |
|---|---|---|---|
| | **2021** | **2020** | **Change** |
| Exchange gains | 31 | 42 | -11 |
| Positive adjustment to the fair value of contingent consideration | 22 | 161 | -139 |
| Positive adjustment to financial instruments at fair value | 12 | 13 | -2 |
| Income on financial assets at amortised cost | 7 | 18 | -11 |
| Bank and postal interest | 6 | 7 | -1 |
| Other financial income | 6 | 710 | -704 |
| **Financial income** | **83** | **951** | **-868** |
| ***of which non-recurring*** | ***0*** | ***710*** | ***-710*** |

*Other financial income* in the first half of 2020 included €710 thousand for the renegotiation of two loans.

*Financial charges*

| *€ '000* | *Six-month period closed at 30 June* | | |
|---|---|---|---|
| | **2021** | **2020** | **Change** |
| Interest expenses on bank loans | 721 | 711 | 10 |
| Amortised cost adjustment on bank loans | 607 | 329 | 277 |
| Charges on hedging derivatives | 238 | 99 | 139 |
| Interest expenses on leases | 149 | 152 | -3 |
| Interest expenses on payment deferments | 35 | 62 | -27 |
| Exchange losses | 29 | 17 | 13 |
| Other interest expenses | 41 | 1 | 40 |
| Negative adjustment to the fair value of contingent consideration | 42 | 0 | 42 |
| Other financial charges | 14 | 0 | 14 |
| **Financial charges** | **1,877** | **1,370** | **506** |
| ***of which vs. related parties*** | ***26*** | ***22*** | ***5*** |

The increase in *interest expenses on bank loans* and in *Amortised cost adjustment on bank loans* reflected the increase in bank debt compared to the same period of the previous year. Total financial expenses attributable to bank loans in the period include €238 thousand in *charges on hedging derivatives*.

## 42. INCOME TAXES

Income taxes for the first half of 2021, amounting to €3,787 thousand, can be broken down as follows:

| *€ '000* | *Six-month period closed at 30 June* | | |
|---|---|---|---|
| | **2021** | **2020** | **Change** |
| IRES | 7,113 | 5,494 | 1,619 |
| IRAP | 1,625 | 1,506 | 119 |
| Current foreign taxes | 174 | 26 | 148 |
| Deferred tax liabilities | -2,863 | -992 | -1,871 |
| Deferred tax assets | -2,353 | 415 | -2,768 |
| Income taxes related to previous years | -763 | -1,137 | 375 |
| Taxes other than the above | 854 | 0 | 854 |
| **Income taxes** | **3,787** | **5,312** | **-1,525** |
| ***of which non-recurring*** | ***-4,317*** | ***-1,018*** | ***-3,299*** |

Non-recurring items includes non-recurring income of €4,317 thousand referring to:

- for a total of €3,401 thousand to the redemption of statutory/fiscal value differentials. The Group made use of the option to obtain full recognition for tax purposes of the differences between the carrying amounts and the tax bases of some intangible assets arising from the merger by incorporation of Promozioni Servizi S.r.l. in 2020 (Article 176, paragraph 2-ter, of Italian Presidential Decree no. 917/86 and Article 15, paragraph 10, of Italian Decree Law no. 185/2008), as well as other intangible assets recognised in connection with the merger transactions in years prior to 2020 (Article 110 of Italian Decree Law 104/2020). This option resulted in provisions of *Deferred tax assets* for €2,132 thousand, releases of *Liabilities for deferred taxes* for €2,122 thousand, as well as the recognition of a substitute tax of €853 thousand under the item *Taxes other than the above*;
- for €816 thousand to the rebate of the first advance payment of 2020 IRAP recognised by virtue of the extension of the ceiling to the benefit provided by Italian Decree Law 41/2021 known as the "Decreto Sostegni", recognised under item *Income taxes related to previous years*;
- for €100 thousand to the tax effect on the non-recurring components of the profit before tax.

## Additional information

### 43. EARNINGS PER SHARE

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

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

| | *Six-month period closed at 30 June* | |
|---|---|---|
| | **2021** | **2020** |
| Net Profit attributable to the Group (€ '000) | 20,361 | 15,735 |
| Weighted average number of outstanding Ordinary Shares | 46,260,390 | 47,122,535 |
| Basic earnings per Share (€) | 0.44 | 0.33 |

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

| | *Six-month period closed at 30 June* | |
|---|---|---|
| | **2021** | **2020** |
| Net Profit attributable to the Group (€ '000) | 20,361 | 15,735 |
| Diluted weighted average number of shares | 47,139,143 | 47,127,898 |
| Diluted earnings per share (€) | 0.43 | 0.33 |

### 44. TRANSACTIONS WITH RELATED PARTIES

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

The following table summarises all equity balances and the impact on related items of the Statement of Financial Position at 30 June 2021, with comparative figures at 31 December 2020:

| **30/06/2021** | | | | | | | |
|---|---|---|---|---|---|---|---|
| *€ '000* | **Current tax assets** | **Trade and other current receivables** | **Non-current financial liabilities** | **Non-current contract liabilities** | **Current financial liabilities** | **Trade and other current payables** | **Current contract liabilities** |
| Ultimate Parent | 0 | 57 | 299 | 0 | 71 | 75 | 0 |
| Associated companies | 0 | 304 | 0 | 40 | 0 | 293 | 75 |
| Other Related Parties | 0 | 77 | 1,035 | 0 | 1,141 | 0 | 0 |
| ***Total Related Parties*** | ***0*** | ***438*** | ***1,334*** | ***40*** | ***1,212*** | ***368*** | ***75*** |
| **Total financial statement item** | **1,588** | **95,613** | **247,601** | **15,824** | **54,598** | **79,949** | **54,776** |
| *% Incidence on Total* | *0.0%* | *0.5%* | *0.5%* | *0.3%* | *2.2%* | *0.5%* | *0.1%* |
| **31/12/2020** | | | | | | | |
| *€ '000* | **Current tax assets** | **Trade and other current receivables** | **Non-current financial liabilities** | **Non-current contract liabilities** | **Current financial liabilities** | **Trade and other current payables** | **Current contract liabilities** |
| Ultimate Parent | 6 | 20 | 333 | 0 | 71 | 169 | 0 |
| Associated companies | 0 | 2 | 0 | 0 | 0 | 83 | 0 |
| Other Related Parties | 0 | 27 | 1936 | 0 | 1177 | 28 | 0 |
| ***Total Related Parties*** | ***6*** | ***48*** | ***2,269*** | ***0*** | ***1,248*** | ***280*** | ***0*** |
| **Total financial statement item** | **311** | **84,110** | **150,508** | **10,961** | **40,365** | **60,249** | **46,411** |
| *% Incidence on Total* | *1.8%* | *0.1%* | *1.5%* | *0.0%* | *3.1%* | *0.5%* | *0.0%* |

*Financial liabilities* included the amount payable for leases for buildings already existing at 31 December 2020, to the ultimate parent Tecno Holding S.p.A. (€370 thousand) and to other related parties of the Group (€806 thousand) as well as the payable for price deferments (€1,370 thousand) granted in prior years by the selling shareholders of the equity investments, considered today as other related parties in their quality of strategic managers of the Group.

The table below summarises all economic transactions and the incidence on the associated items of the Income Statement in the first half of 2021 and the relative comparative balances in the first half of 2020:

| Six-month period closed at 30 June 2021 | | | | |
|---|---|---|---|---|
| *€ '000* | **Revenues** | **Service costs** | **Other operating costs** | **Financial charges** |
| Ultimate Parent | | 259 | | 5 |
| Associated companies | 77 | 629 | | |
| Other Related Parties | 23 | 145 | 1 | 21 |
| **Total Related Parties** | **100** | **1,032** | **1** | **26** |
| **Total financial statement item** | **177,813** | **56,111** | **958** | **1,877** |
| *% Incidence on Total* | *0.1%* | *1.8%* | *0.1%* | *1.4%* |
| **Six-month period closed at 30 June 2020** | | | | |
| *€ '000* | **Revenues** | **Service costs** | **Other operating costs** | **Financial charges** |
| Ultimate Parent | | 189 | | 6 |
| Associated companies | 77 | 609 | | |
| Other Related Parties | | 4 | 1 | 15 |
| **Total Related Parties** | **78** | **802** | **1** | **22** |
| **Total financial statement item** | **123,817** | **39,905** | **915** | **1,370** |
| *% Incidence on Total* | *0.1%* | *2.0%* | *0.1%* | *1.6%* |

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

## 45. TOTAL FINANCIAL INDEBTEDNESS

As required by CONSOB communication no. DEM/6064293 of 28 July 2006, and in compliance with the Warning Notice no. 5/21 issued by CONSOB on 29 April 2021 with reference to the Guideline ESMA32-382-1138 dated 4 March 2021, the Group's total financial indebtedness at 30 June 2021 was:

| *€ '000* | **30/06/2021** | *of which vs. related parties* | **31/12/2020** | *of which vs. related parties* |
|---|---|---|---|---|
| A Cash | 95,002 | | 92,813 | |
| B Cash equivalents | 0 | | 0 | |
| C Other current financial assets | 2,850 | | 7,320 | |
| **D Liquidity (A+B+C)** | **97,852** | | **100,132** | |
| E Current financial debt | 13,595 | | 8,106 | |
| F Current portion of non-current financial debt | 41,003 | *1,212* | 32,258 | *1,248* |
| **G Current financial indebtedness (E+F)** | **54,598** | | **40,365** | |
| **H Net current financial indebtedness (G+D)** | **-43,254** | | **-59,768** | |
| I Non-Current financial debt | 248,491 | *1,334* | 151,650 | *2,269* |
| J Debt instruments | 0 | | 0 | |
| K Non-current trade and other payables | 0 | | 0 | |
| **L Non-current financial indebtedness (I+J+K)** | **248,491** | | **151,650** | |
| **M Total financial indebtedness (H+L)** | **205,237** | | **91,882** | |

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

On **2 July 2021**, an agreement was signed with the majority shareholder of Camerfirma Colombia S.A.S. for the purchase of a further 26% by A.C. Camerfirma S.A. The company is already 25%-owned by the Tinexta Group (24% through A.C. Camerfirma S.A. and 1% through InfoCert S.p.A.) and consolidated using the equity method in the Condensed Interim Consolidated Financial Statements at 30 June 2021. With this agreement, the Tinexta Group comes to hold 51% of Camerfirma Colombia, thus acquiring control.

On **16 July 2021**, through the subsidiary Warrant Hub S.p.A., an agreement was executed for the acquisition of 100% of Financial consulting Lab Srl and Financial CLab Srl for a total amount of €4.5 million. The closing of the transaction is expected to take place in October. Both companies are based in Brescia. Financial Consulting Lab Srl has a proven and consolidated expertise in the management of Chambers of Commerce and regional calls for tenders for small-sized businesses in the area of Special Subsidised Finance, while Financial CLab specialises in offering innovative digital tools for businesses that want to access public funds autonomously and independently.

On **21 July 2021**, the Tinexta Group completed the closing of the transaction involving the contribution by Intesa Sanpaolo of the 100% stake of Intesa Sanpaolo Forvalue S.p.A. in Innolva S.p.A. – a subsidiary of Tinexta – and the simultaneous subscription of newly issued shares of Innolva, resulting from a reserved capital increase. The amount of the contribution was set at €55 million. As a result of the transaction, Innolva's share capital is therefore 75% held by Tinexta, which retains the majority of corporate governance, and 25% by Intesa Sanpaolo.
The transaction aims to establish a single, integrated domestic hub for higher value-added services for SMEs. This is a strategic partnership that strengthens the Tinexta Group's mission to support Italian SMEs in their growth: through Forvalue's widespread network, which boasts a unique, distinctive and top quality positioning, Italian companies will have access to a wide and qualified platform of products and services to support their business**.**
There are Put & Call options on the 25% share capital of Innolva S.p.A. held by Intesa Sanpaolo, conditional on the partnership coming to an end and/or on some results with respect to the plan objectives, and exercisable in two time windows within the two-year period 2025-2026. An earn-out is also envisaged in the event that certain plan objectives are exceeded, ratified with the approval of Forvalue's 2025 financial statements, which will allow Intesa Sanpaolo to increase its equity investment in Innolva up to a further 5% of the share capital.

On **21 July 2021,** Tinexta S.p.A., through its subsidiary InfoCert S.p.A., finalised a binding offer, in the form of a Put Option Agreement, to the French company Oodrive S.A.S. for the acquisition of 60% of the CertEurope S.A.S. share capital. Oodrive has been owned since 2017 by Tikehau Capital, a global alternative asset management group. CertEurope, based in Paris, is one of the three largest Certification Authorities in France with a very well-known brand and a market share of around 40% in the eIDAS certificate sector.
The company has the authorisations and accreditations necessary to issue all types of certificates required by the French market, in compliance with the technical requirements established by the French Agency for the Security of Information Systems (ANSSI). Through the acquisition, Tinexta will enter the French market, the second largest in the European Community, and InfoCert, the largest Certification Authority in Europe, will be able to sell its solutions on the territory. CertEurope's well-established business relationships with a number of important trade associations (attorneys, inter alia) and with large national retailers (resellers of digital services) represent a potentially significant accelerator for the penetration of InfoCert solutions into the French market.
The agreement provides for the purchase of 60% of CertEurope's share capital for a total consideration of €43.8 million (which includes earn-outs of €3.8 million based on 2021 and 2022 performance), assuming zero net financial indebtedness at closing. The option right inherent in the minority interests in the company's share capital may be exercised in 2023, on the basis of specific Put/Call agreements. The discounted value of the Put/Call option of the minority interests is estimated at approximately €28.4 million. The investment for

100% of the share capital is estimated at €72.2 million. The CertEurope acquisition will be financed with the existing liquid assets. The enterprise value of the company is €66.7 million, at a multiple of between 12x and 13x the 2020 pro forma EBITDA for the acquisition of the majority stake and a multiple of between 12x and 13x the 2022 EBITDA expected for the exercise of the option right on the remaining shares in 2023. In 2020, CertEurope recorded Revenues of €14.1 million, up 6.9% compared to the previous year and a pro-forma EBITDA [8]of Euro 5.2 million with an EBITDA Margin of 37%.
In accordance with the French legal system, the formalisation of the definitive agreement will take place after the selling party has conducted the information-consultation process of the corporate committee. The transaction is subject to the completion of the control procedure for foreign investments in France. In accordance with the French legal system, the signing is expected to take place in September, at the end of the Hamon Law process involving the Human Resources of the acquired company and being launched today. Closing is expected to take place by the fourth quarter of 2021. This transaction is subject to the completion of antitrust and Golden Rule procedures in France.
The total value of the Digital Trust market in France is estimated at approximately €150 million, with a 23% growth forecast per year over the next few years to reach €500 million in 2025. The competitive context is composed of some major brands (including CertEurope, with around 10% of the market share, the third largest player) and a wide range of smaller competitors.

[8] The scope of the transaction refers to the legal entity CertEurope S.A.S. following a carve out and carve in process that will be completed prior to closing. In particular, with the carve out some assets and 13 Human Resources will be transferred, while 24 Human Resources will join CertEurope as a result of the carve in.

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

1. The undersigned Pier Andrea Chevallard and Nicola Di Liello, as Chief Executive Officer and Manager responsible for the preparation of the corporate accounting documents of Tinexta S.p.A., respectively, certify, taking into account the provisions of Art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree 24 February 1998 n. 58:
    - the adequacy in relation to the characteristics and
    - the effective application of the administrative and accounting procedures in drawing up the Condensed Interim Consolidated Financial Statements of First Half 2021.

2. In this regard, it is stated that no material aspects were identified.

3. It is also certified that:

    3.1 The Condensed Interim Consolidated Financial Statements:

    a. are drawn up in accordance with the applicable international accounting standards recognised in the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002;
    b. correspond to the results of the books and accounting records;
    c. are suitable in providing a true and accurate representation of the Balance Sheet, Income Statement and Financial Position of the Company and of the set of companies included within the scope of consolidation.

    3.2 The Interim Report on Operations provides a reliable analysis of information on the key events that took place during the first six months of the year and on their impact on the Condensed Interim Consolidated Financial Statements, along with a description of the main risks and uncertainties for the remaining six months of the year. The Interim Report on Operations also includes a reliable analysis of the information on significant transactions with related parties.

Milan, 3 August 2021

| | |
|---|---|
| Pier Andrea Chevallard | Nicola Di Liello |
| Chief Executive Officer | Manager responsible for the preparation of Corporate Accounting Documents |

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

# Report on review of condensed interim consolidated financial statements

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

## Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Tinexta Group comprising the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes thereto, as at and for the six months ended 30 June 2021. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

## Scope of Review

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

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Tinexta Group as at and for the six months ended 30 June 2021 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Rome, 4 August 2021

KPMG S.p.A.

(signed on the original)

Arrigo Parisi
Director of Audit