
ITALMOBILIARE
INVESTMENT HOLDING

Interim Report

AT JUNE 30, 2021

2021

Interim Report

AT JUNE 30, 2021

**Interim Report at June 30, 2021
approved by the Board of Directors on July 29, 2021**

**ITALMOBILIARE
Società per Azioni**

Head Office: Via Borgonuovo, 20
20121 Milan – Italy
Share Capital € 100,166,937
Milan Companies Register

Translation from the Italian original version, which remains the definitive one.

2021

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GENERAL INFORMATION

Corporate bodies

BOARD OF DIRECTORS

(Term ends on approval of financial statements at December 31, 2022)

Laura Zanetti	1-7	Chairman
Livio Strazzerà	7	Deputy Chairman
Carlo Pesenti	1-2	Chief Executive Officer - Chief Operating Officer
Vittorio Bertazzoni	1-3-6	
Giorgio Bonomi	4	
Mirja Cartia d'Asero	1-4-5-6	
Valentina Casella (*)	3-6	
Marco Cipelletti	6	
Elsa Fornero	1-5-6	
Sebastiano Mazzoleni		
Luca Minoli		
Chiara Palmieri	3-4-5-6	

- 1** Member of the Committee for Sustainability and Social Responsibility
- 2** Director in charge of the Internal Control and Risk Management System
- 3** Member of the Remuneration and Nominations Committee
- 4** Member of the Control and Risk Committee
- 5** Member of the Committee for Transactions with Related Parties
- 6** Independent director
- 7** Independent director (only pursuant to Legislative Decree no. 58 February 24, 1998)

(*) Co-opted by the Board of Directors on July 29, 2021, to replace Marinella Soldi who resigned from the Board, in office until the next Shareholders' Meeting.

BOARD OF STATUTORY AUDITORS

(Term ends on approval of financial statements at December 31, 2022)

Standing Auditors		Alternate Auditors
Pierluigi De Biasi	Chairman	Michele Casò
Luciana Ravicini		Maria Maddalena Gnudi
Gabriele Villa		Tiziana Nesa

FINANCIAL REPORTING OFFICER

Mauro Torri

INDEPENDENT AUDITORS

(Term ends on approval of financial statements at December 31, 2027)

Deloitte & Touche S.p.A.

Company officers and delegation of powers

The Board of Directors will remain in office until the approval of the financial statements at December 31, 2022. It was appointed by the Shareholders' Meeting held on April 21, 2020 and consists of 12 Directors.

Within the scope of the Board of Directors, the following powers have been granted.

The following duties have been assigned to the **Chairman**, Ms Laura Zanetti: to submit proposals to be resolved on by the Board of Directors; to supervise and ensure compliance with the principles of Corporate Governance approved by the Company and propose any amendment to them to be submitted to the Board of Directors for approval; to supervise the regularity of meetings and actions of the corporate bodies ensuring that the documentation relating to the items on the agenda is made available to Directors and Statutory Auditors suitably in advance; to supervise the work of the Chief Operating Officer with reference to real estate management transactions; to promote the Company's image; in agreement with and in coordination with the Chief Executive Officer, to maintain relations with the economic-financial community, institutional bodies and authorities.

The Chairman has been granted the following powers: to represent the Company in court; to act, including before the criminal court, to protect the Company's interests; to represent the Company as a shareholder at Ordinary and Extraordinary Shareholders' Meetings of other companies; to appoint consultants in general; to grant special and general powers of attorney, including related signature powers, individual or joint, and with the powers and attributions that will be considered necessary for the best performance of the company; to negotiate and conclude any transaction or contract for real estate purchase or sale, exchange and division, for the establishment of easements or property rights in general, permitting and requesting mortgage registrations, cancellations and entries, waiving mortgages and releasing the Property Registrar from all liability and with the right to appoint as a substitute, for each transaction or contract, one or more special attorneys with all the required powers, with the limit of Euro 25 million with joint signature together with the Chief Operating Officer.

The **Chief Executive Officer and Chief Operating Officer** Carlo Pesenti has been assigned the following tasks, inter alia and in addition to the general representation of the Company: to submit proposals to be resolved on by the Board of Directors; to oversee the execution and implementation of the investment plans defined by the Board of Directors; to look after the management policies, corporate development strategies of Italmobiliare S.p.A. and its main subsidiaries, held directly or indirectly; to oversee and direct the activities of Italmobiliare S.p.A. and its main direct or indirect subsidiaries; to establish guidelines for managing the main companies in which Italmobiliare S.p.A., directly or indirectly, holds an equity investment that allows it to exercise significant influence; to look after corporate organisation and propose any changes to the Board of Directors.

To carry out the above mentioned tasks, the Chief Executive Officer can perform any more appropriate activity or initiative and, by way of example: as part of the Company's general policies on accounting reporting (i) to prepare the separate and consolidated draft financial statements (accompanied by the necessary reports and notes accompanying them) to be submitted for approval by the Board of Directors and (ii) to prepare the half-yearly and quarterly financial statements required by law, accompanied by the reports to be submitted for approval by the Board of Directors; to prepare Italmobiliare S.p.A.'s budgets and long-term development and investment plans to be submitted to the Board of Directors for approval; to define the general guidelines for the financial management of the Company and the Group; to determine the addresses relating to the choice of the main managers of Italmobiliare S.p.A. and of the main companies directly or indirectly controlled, as well as, for Italmobiliare S.p.A. only, to personnel management.

The same person has been granted, inter alia, in addition to the powers of representation established in the By-laws, the powers to carry out all tasks relating to administration and arrangements concerning the management of the Company including performing transactions on securities and credit, assume any form of obligations in the name of the Company, accept guarantees, provide collateral security and guarantees for third parties, as long as they are direct or indirect subsidiaries of Italmobiliare, buy and sell government bonds, corporate bonds, mortgage bonds, equities, company quotas, carry out repo transactions and advances on security transactions.

The powers granted for the office of Chief Operating Officer can be exercised within a limit of Euro 25 million for individual transaction, except for real estate transactions exceeding Euro 10 million and up to Euro 25 million, which need the joint signature of the Chairman.

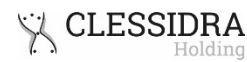
The powers granted for the office of Chief Executive Officer can be exercised within a limit of Euro 25 million, except for funding transactions and transactions on derivatives which can be made within a limit of Euro 50 million, and transactions to sell securities of listed companies, which can be made within a limit of Euro 100 million per single trading day.

Our investments at June 30, 2021

PORTFOLIO COMPANIES

NAV 1,252.80 €mn

63%



PRIVATE EQUITY

NAV 166.41€ mn

8%



OTHER INVESTMENTS

NAV 203.35 €mn

10%

HEIDELBERGCEMENT

Vontobel



CASH AND OTHER ACTIVITIES

NAV 377.66 €mn

19%



FINANCIAL ASSETS,
TRADING AND CASH

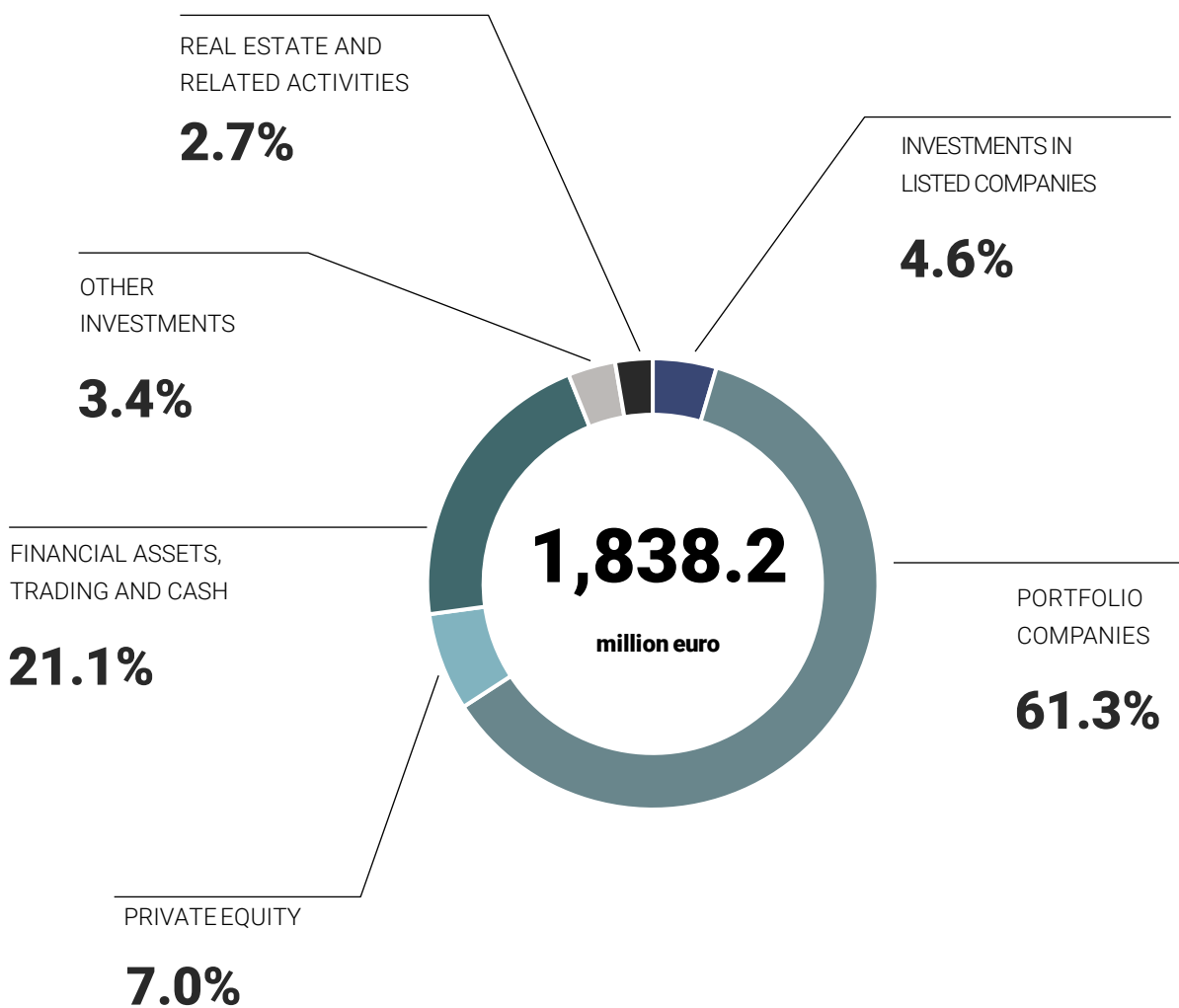


REAL ESTATE AND
RELATED ACTIVITIES

Net Asset Value at December 31, 2020

Changes in the portfolio composition

Officina Profumo-Farmaceutica di Santa Maria Novella	IN
Casa della Salute	IN
Callmewine	IN



NAV PER SHARE

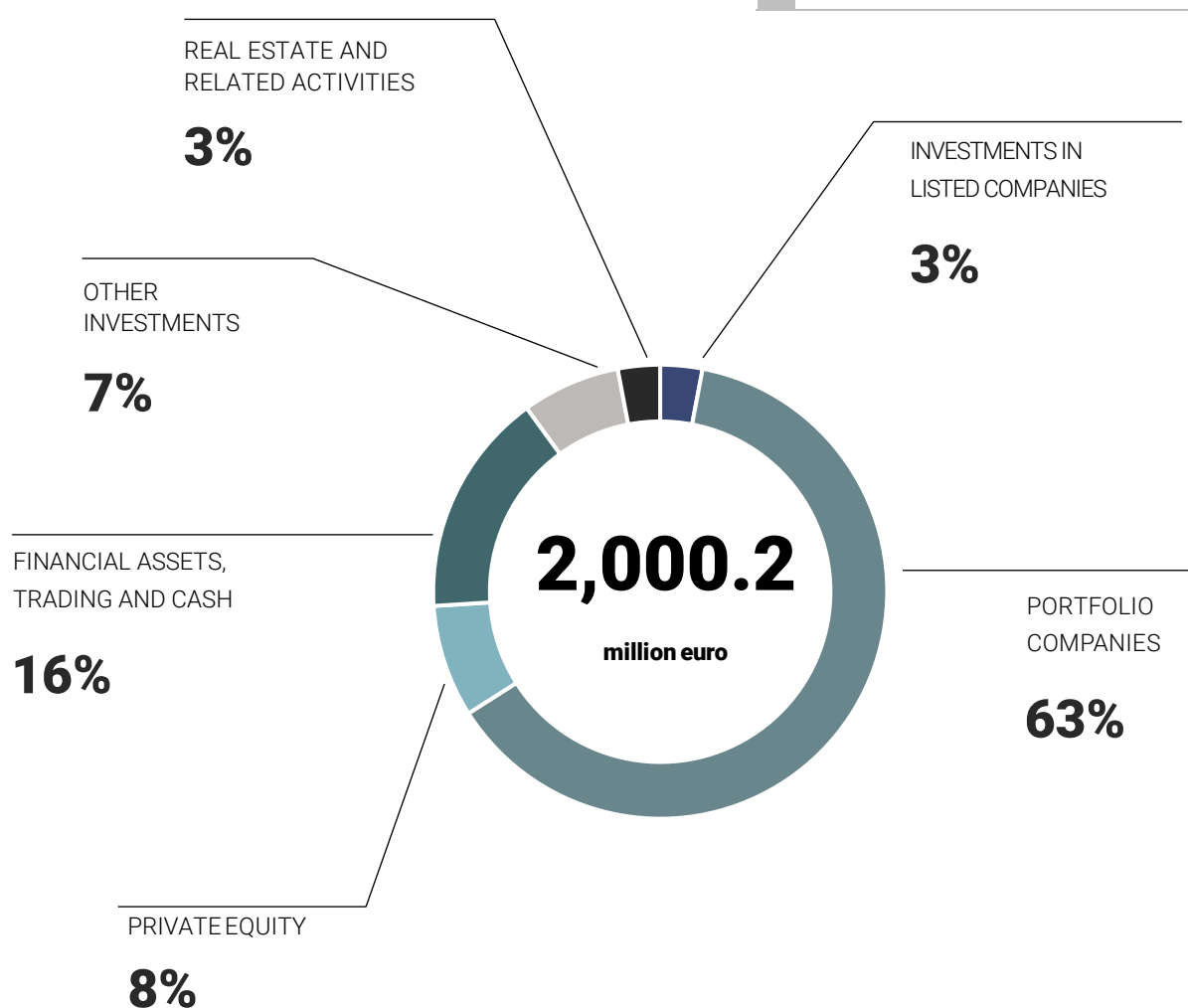
43.5€

	(in millions of euro)
Investments in listed companies	84.0
Portfolio Companies	1,126.1
Private Equity	129.0
Financial assets, trading and cash	387.2
Other investments	62.6
Real estate and related activities	49.3
Total NAV at December 31, 2020	1,838.2

Net Asset Value at June 30, 2021

Changes in the portfolio composition

Sirap	OUT
Early in the year, Sirap's main assets in Italy, Poland and Spain were sold to the Faerch group; in addition, Sirap's assets in Austria and Central-Eastern Europe (Petruzalek Group) and in Germany (Sirap GmbH) were sold to Zeus Packaging	
Botter	IN
Farmagorà	IN



NAV PER SHARE

47.3€

	(in millions of euro)
Investments in listed companies	68.87
Portfolio Companies	1,252.80
Private Equity	166.41
Financial assets, trading and cash	327.21
Other investments	134.48
Real estate and related activities	50.45
Total NAV at June 30, 2021	2,000.22

ITALMOBILIARE
INVESTMENT HOLDING

DIRECTORS'
REPORT

DIRECTORS' REPORT

General Overview

INTRODUCTION

The interim report at June 30, 2021 is prepared in compliance with article 154 ter, paragraphs 2, 3 and 4 of Legislative Decree no. 58 of February 24, 1998 and subsequent amendments.

The condensed interim financial statements are prepared in consolidated form in accordance with paragraph 3.

Changes in the international financial reporting standards (IFRS) occurred during the period and related interpretations (IFRIC) compared with December 31, 2020, already applicable to this interim report, are as follows:

- Amendments to IFRS 4 Insurance Contracts: deferral of IFRS 9;
- Amendments to IFRS 9, 4,7,16 and IAS 39 Interest Rate Benchmark Reform - Phase 2.

During the first half of 2021, the consolidation area has changed following the acquisition by Italmobiliare S.p.A. of a 31.7% stake in Bacco S.p.A. and a 44.72% stake in Farmagorà S.r.l.; the acquisition by Italgen S.p.A. of 100% of Idroenergy S.r.l. and the establishment of Solar Roof S.r.l., made also by Italgen; the sale of the investment in San Carlo S.p.A. by Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.; with regards to the Sirap Group, see the next paragraph.

SIGNIFICANT EVENTS DURING THE PERIOD

In January 2021, Sirap's main assets in Italy, Poland and Spain were sold to the Faerch group - a Danish company that is a leader in the food packaging sector - based on an Enterprise Value of approximately 162 million euro.

In February 2021 Sirap and Zeus Packaging - an Irish company that operates in the distribution of packaging products - then signed a binding agreement for the sale of the Petruzalek Group and the German subsidiary of the Sirap Group (Sirap GmbH), based on an Enterprise Value of around 12 million euro. The deal, which was subject to usual conditions precedent, was completed in April.

The sale of the Sirap Group's main assets involved the presentation of its income statement items in a single, specific line ("profit/(loss) from discontinued operations, net of tax") for the whole Sirap group on the basis of IFRS 5, both for the current period and for the corresponding period in 2020. In compliance with IFRS 5, "Profit/(loss) from assets held for sale, net of tax" also includes the capital gain deriving from the sale of these assets.

In March 2021 Italmobiliare, already an investor in the Clessidra Capital Partners 3 fund, participated as one of the fund's co-investors in the operation which saw the acquisition by the Clessidra Capital Partners 3 fund of a majority stake in Botter S.p.A., a Venetian company that is one of the major exporters of Italian wine in the world, owned by the Botter family and DeA Capital. Italmobiliare's investment - 43.7 million euro - is in support of Clessidra's project, which has identified Botter as the cornerstone of a consolidation initiative in the wine trade: a strategy of targeted acquisitions with the idea of creating an Italian leader in this sector with strong growth potential in new markets. After June 30, part of the co-investment was sold to the Clessidra IV fund.

In June 2021 the Company, already an investor in the Clessidra Capital Partners 3 fund, signed a commitment of 75 million euro at the first closing of the Clessidra Capital Partners 4 fund. The placement reached the threshold of approximately 270 million euro and recorded a significant participation of subscribers of the previous funds, which include some primary Italian institutional investors.

NET ASSET VALUE

The net asset value (NAV) of Italmobiliare S.p.A. at June 30, 2021 (whose definition and reconciliation is provided in Attachment 1), excluding treasury shares, was 2,000.2 million euro (1,838.2 million euro at December 31, 2020) and consisted of the following assets:

(in millions of euro)	June 30, 2021	% of total	December 31, 2020	% of total
Listed equity investments ¹	68.9	3.4%	84	4.6%
Portfolio Companies ²	1,252.8	62.6%	1,126.1	61.3%
Other investments ³	134.5	6.7%	62.6	3.4%
Private equity funds	166.4	8.3%	129.0	7.0%
Properties and related assets	50.5	2.5%	49.3	2.7%
Financial assets, trading, cash and cash equivalents	327.2	16.4%	387.2	21.1%
Total Net Asset Value*	2,000.2	100.0%	1,838.2	100.0%

* The criteria adopted for calculating NAV may be different from those adopted by other companies, so the figures may not be comparable.

¹ The category called "Listed equity investments" include the main shareholdings in listed companies (HeidelbergCement AG)

² "Portfolio Companies" includes the investments in Sirap Gema S.p.A., Italgem S.p.A., Caffè Borbone S.r.l., Clessidra Holding S.p.A., Tecnica Group S.p.A., Iseo Serrature S.p.A., Autogas Nord - AGN Energia S.p.A., Capitelli S.r.l., Officina Profumo-Farmaceutica di Santa Maria Novella S.r.l., Callmewine S.r.l., Casa della Salute S.r.l.

³ "Other investments" include the investments in Crédit Mobilier de Monaco S.A., S.E.S. S.p.A., SESAAB S.p.A. and Bacco S.p.A.

Compared with December 31, 2020, the main changes in NAV are due to the increase in the fair value of the portfolio companies (+130.7 million euro, net of dividends paid of 27.1 million euro), of HeidelbergCement AG (+10.6 million euro) and of the other listed investments (+5.5 million euro mainly attributable to the investment in the finance company Fin.Priv. which holds shares in Mediobanca) and of the private equity funds (+18.2 million euro).

In particular, with regard to the increase in NAV of the portfolio companies:

- In absolute terms, the greatest increase relates to Caffè Borbone, on the basis of the positive performances recorded also in the first half of 2021;
- In relative terms, the company that sees the highest NAV grow compared with the end of 2020 is Tecnica Group, which in the first half of 2021 has demonstrated that it has overcome the difficulties associated with the initial impact of the pandemic, with overall results that are even better than in 2019 before Covid;
- All the other portfolio companies are either growing or substantially stable.

At June 30, 2021, the NAV per Italmobiliare share, excluding treasury shares and after the payment of total dividends of 0.65 euro, amounted to 47.31 euro, showing an increase of 8.65% compared with December 31, 2020 (increase of 10.31% gross of dividends distributed).

NAV calculation at June 30 was computed by following a specific procedure based on valuations by independent experts, taking into account:

- the market price at June 30, 2021 of the equity investments in listed companies;
- the value of non-listed companies, determined on the basis of commonly used valuation methods (DCF and/or market multiples) or, where sufficient information is not available for the application of the methods envisaged by the International Private Equity and Venture Capital (IPEV) valuation guidelines and/or their consistency can be considered immaterial, their net equity resulting from the latest approved financial statements, determined according to IAS/IFRS or local accounting standards;
- the market value of real estate assets;
- the deferred tax effect, if any.

The Independent Auditors have performed a limited assurance engagement based on ISAE 3000 to verify that valuation methods adopted by the Directors for calculating the NAV were in line with the IPEV guidelines.

PERFORMANCE OF THE MAIN GROUP COMPANIES

SUMMARY OF THE HALF YEAR RESULTS

(in millions of euro)	Revenue			Gross operating profit (EBITDA)			Fcf ¹
	June 30 2021	June 30 2020	Change %	June 30 2021	June 30 2020	Change %	1st half 2021 Actual
Italmobiliare	63.9	30.5	>100	45.9	(20.6)	>100	n.s.
Portfolio companies							
Caffè Borbone	129.2	104.1	24.1	46.2	34.3	34.8	29.5
Officina Profumo-Farmaceutica di Santa Maria Novella	12.1	10.5	15.5	3.8	2.8	37.2	4.2
Sirap	34.5	35.4	(2.4)	0.2	0.9	(73.2)	n.s.
Italgen	18.3	13.5	35.2	8.7	5.0	75.5	3.4
Casa della Salute	12.5	6.6	90.2	1.6	0.4	>100	(8.3)
Capitelli	8.4	7.2	16.4	2.0	1.8	13.9	(0.2)
Callmewine	8.3	5.4	52.7	0.0	0.3	(85.1)	(1.4)
Tecnica Group	173.7	136.8	27.0	17.1	2.7	>100	10.8
Autogas Nord - AGN Energia	259.5	224.2	15.7	34.4	27.4	25.5	34.0
Iseo	78.6	57.5	36.7	12.0	4.0	>100	(0.9)
Total portfolio companies	735.1	601.2	22.3	126.0	79.6	58.3	71.1

n.s. not significant

1. Free cash flow is calculated as the difference between the net financial position of the period and the net financial position of the end of previous year, gross of dividends paid.

There are no extraordinary transactions in the FCF.

The source of the figures is shown in the tables for each of the Portfolio Companies.

Italmobiliare's revenue recorded in the half year increased mainly due to the increase in the dividends approved by the subsidiaries (in 2020 Caffè Borbone postponed the distribution of dividends to the second half of the year because of the Covid-19). Moreover, revenue increased, due to the positive trend of financial assets (mainly trading investment and Private Equity funds) which in 2020 had been negatively impacted by the pandemic.

Gross operating profit is improving, not only for the matters discussed above, but also for the absence of non-recurring operating costs recorded in 2020 (MBO and LTI payments based on the previous three years and donations).

With regards to the Portfolio Companies, the first half year closes with a decidedly positive result if compared with both 2020 and 2019 prior to Covid. Looking at the pro-forma aggregate for the half year:

- Revenue amounted to 735.1 million euro, up 22.3% compared with the first half of the previous year. All the companies closed the half year with growth of over 15% compared with 2020, with the exception of Sirap due to the loss of intragroup revenue; moreover, all the companies recorded higher revenue than in the same period of 2019, with the exception of Santa Maria Novella which was affected by the still not brilliant result of the retail segment due to the impact of the pandemic;
- The gross operating profit for the half year amounted to 126.0 million euro, with an overall improvement of 58.3% compared with the same period of 2020. Also in this case, with the exception of Santa Maria Novella, all the companies show an increase compared with the first half of 2019;

- Cash generation in the period was positive for 71.2 million euro, despite the investments for the growth of Casa della Salute and Callmewine, which are detailed below.

Looking at the individual companies:

- In the food sector, a positive half-year for Caffè Borbone, which confirms its growth trajectory (revenue +24%, GOP +35%) with quarterly trends influenced also by the evolution of the pandemic; Capitelli also did well, despite the continuing impact of Covid-19 on some channels, growing both in terms of revenue (+16%) and GOP, absorbing cash only for contingent reasons, as explained below;
- In the energy sector, Italgas closed a decidedly positive half-year (GOP +75% vs. 2020), with good rainfall and high energy prices; Autogas did well too: in addition to the growth in revenue and gross operating profit, it generated excellent cash flow in the period;
- In the industrial sector, neutralising some contingent factors, the first half year of the “new” Sirap is essentially in line with the same period of the previous year, despite the increase in the cost of plastic raw materials. Iseo has done very well, demonstrating that it has overcome the problems that it had due to the initial impact of Covid; it did not generate cash during the period only because of the seasonal nature of the business;
- Tecnica Group has closed the period with significantly higher results than in 2020 (revenue +27%, GOP x6); as detailed below. If Covid continues to impact winter brands in Europe, the rest of the Group's geographical areas and brands have turned in positive performances, well above their pre-Covid levels;
- Officina Santa Maria Novella closes the half year up on 2020, while still suffering the difficulties of the retail business due to the restrictions caused by the pandemic.
- The companies that joined the portfolio at the end of 2020 continue to demonstrate their growth potential. Specifically, Casa della Salute grew with very high rates (revenue +90%, gross operating profit x4 compared with 2020), even if the pandemic continues to slow down some of the services on offer (e.g. diagnostic imaging, dentistry). Callmewine closed the half year with revenue up 53% and EBITDA substantially constant, neutralising contingent factors. In both cases, the cash absorption is attributable to investments for growth.

SUMMARY OF RESULTS OF THE SECOND QUARTER

(in millions of euro)	Revenue			Gross operating profit (EBITDA)		
	Q2 2021	Q2 2020	Change %	Q2 2021	Q2 2020	Change %
Italmobiliare	45.1	7.0	>100	37.1	4.6	>100
Portfolio companies						
Caffè Borbone	64.2	55.2	16.3	22.7	18.7	21.4
Officina Profumo-Farmaceutica di Santa Maria Novella	6.7	4.3	55.8	2.3	0.7	>100
Sirap	17.7	17.5	1.1	3.2	0.6	>100
Italgen	10.0	6.4	56.3	5.3	2.7	96.3
Casa della Salute	6.9	3.2	>100	0.8	0.5	60.0
Capitelli	4.3	3.5	22.9	1.0	1.0	0.0
Callmewine	3.7	3.3	12.1	(0.1)	0.1	n.s.
Tecnica Group	72.3	54.1	33.6	5.1	(0.3)	>100
Autogas Nord - AGN Energia	103.4	76.7	34.8	8.7	6.8	27.9
Iseo	41.2	27.1	52.0	6.1	2.2	>100
Total portfolio companies	330.4	251.3	31.5	55.1	33.0	67.0

n.s. not significant

Note that the quarterly figures have not been audited.

Looking at the aggregate of the second quarter alone, the growth appears even more evident, also due to the greater impact of Covid on the second quarter of 2020:

- Revenue amounted to 330.4 million euro, up 31.5% compared with the second quarter of the previous year, with positive performances by all portfolio companies;
- Gross operating profit was 55.1 million euro in the quarter, up by 67% compared with 2020. Also in this case, very positive performances by all the companies, with the partial exception of Callmewine and Capitelli. It should be noted how the extremely positive result of Sirap in the quarter is linked to the reclassification under the GOP of certain costs associated with its sale of assets.

KEY CONSOLIDATED FIGURES FOR THE FIRST HALF AT JUNE 30, 2021

(in millions of euro)	H1 2021	H1 2020	Change %
Revenue and income	232.7	155.6	49.6
Gross operating profit (EBITDA)	80.1	15.6	>100
% of revenue	0.3	0.1	
Amortization and depreciation	(11.0)	(7.7)	(44.2)
Impairment losses on non-current assets	0.0	0.0	0.0
Operating profit (EBIT)	69.1	7.9	774.7
% of revenue	0.3	0.1	
Net finance income (costs)	(1.2)	(0.9)	(33.4)
Impairment losses on financial assets	0.0	(0.8)	100.0
Share of profit/(loss) of equity-accounted associates	8.6	(4.7)	>100
Profit/(loss) before tax	76.5	1.5	>100
% of revenue	0.3	0.0	
Income tax	(25.0)	(2.7)	>100
Profit/(loss) from continuing operations	51.5	(1.2)	>100
Profit/(loss) from discontinued operations, net of tax	65.9	2.6	>100
Profit/(loss) for the period	117.4	1.4	>100
<i>attributable to:</i>			
- Owners of the parent company	107.1	(8.1)	>100
- Non-controlling interests	10.3	9.5	8.3
Cash flows from investing activities	108.8	68.3	

(in millions of euro)	June 30, 2021	December 31, 2020
Total equity	1,564.6	1,524.2
Equity attributable to owners of the parent company	1,413.8	1,330.4
Net financial position	354.5	320.8
Employees (headcount) at the end of the period	1,091	2,058

The economic indicators of continuing operations in the first half of 2021 are as follows:

- **Revenue and income**, equal to 232.7 million euro compared with 155.6 million euro at June 30, 2020 (+49.6%), increased by 77.1 million euro, mainly due to the positive contribution of Italmobiliare, Caffè Borbone and the companies acquired during the last quarter of 2020 (Santa Maria Novella, Casa della Salute and Callmewine). On a like-for-like basis, the increase would have been 28.4%.
- The **gross operating profit**, equal to 80.1 million euro compared with 15.6 million euro at June 30, 2020, increased by 64.5 million euro. Specifically, the change is mainly attributable to Italmobiliare (which in 2020 was penalized by the negative performance of financial market due to the Covid-19 pandemic) and to Caffè Borbone.
- After higher amortisation and depreciation compared with the first half of 2020, **operating profit** came to 69.1 million euro (7.9 million euro in the same period of 2020).
- The **profit before tax**, after finance income and expenses and the results of the companies accounted for using the equity method, comes to 76.5 million euro, compared with 1.5 million euro at June 30, 2020.

As mentioned previously, the Sirap group has been presented on the basis of IFRS 5 with the income statement items shown in a single, specific line ("profit/(loss) from discontinued operations, net of tax") both for the current period and for the corresponding period in 2020. In compliance with IFRS 5, "Profit/(loss) from discontinued operations, net of tax", equal to 65.9 million euro (2.6 million euro in the corresponding period of 2020), also includes the capital gain deriving from the sale of the assets. The result of discontinued operations has been reduced compared with the quarterly situation at March 31, 2021 due to a different method of accounting (IFRS 10) for the gain on sale of the assets sold to Faerch.

- The **profit after tax** and the result of discontinued operations amounts to 117.4 million euro compared with 1.4 million euro at June 30, 2020.

At June 30, 2021, **total equity** was 1,564.6 million euro, while **equity attributable to owners of the parent company** was 1,413.8 million euro, compared with 1,524.2 million euro and 1,330.4 million euro respectively at December 31, 2020.

In the first half of 2021 financial and industrial **investments** were made for a total of 108.8 million euro, 40.4 million euro up on the same period in 2020 (68.3 million euro).

The consolidated **net financial position** at June 30, 2021 was a positive balance of 354.5 million euro, compared with 320.8 million euro at the end of December 2020. The positive change of 33.7 million euro is mainly due to the cash generated by operating activities (+4.9 million euro), investments and divestments (-108.7 and +176.5 million euro respectively), dividend payments (-39.9 million euro) and other changes (+0.9 million euro).

FINANCE COSTS AND OTHER ITEMS

Net finance costs increased from 0.9 million euro to 1.2 million euro.

It should be remembered that this item does not include the finance costs and income of Italmobiliare and of the other finance companies as, being part of their core business, they are included in the gross operating profit.

The result of the investments in associates is positive for 8.6 million euro (mainly thanks to the positive contribution of Autogas and Iseo) compared with the negative figure of 4.7 million euro in the first half of 2020 (mainly due to the negative contribution of Tecnica Group because of the Covid-19 pandemic and the seasonality of the business).

PROFIT FOR THE PERIOD

The above figures resulted in a positive result before tax of 76.5 million euro in the half-year (positive for 1.5 million euro at June 30, 2020).

After 25.0 million euro of tax (2.7 million euro in the first half of 2020), the result from continuing operations shows a profit of 51.5 million euro in the first half of 2021 (loss of 1.2 million euro in the corresponding period of 2020). To this must be added the result from discontinued operations of 65.9 million euro (2.6 million euro in 2020) to reach the net result of 117.4 million euro (1.4 million euro in 2020), of which 107.1 million euro attributable to the owners of the parent company and 10.3 million euro attributable to non-controlling interests (-8.1 and +9.5 million euro respectively in the corresponding period of 2020).

REVENUE AND OPERATING PROFIT AT JUNE 30, 2021**CONTRIBUTION TO CONSOLIDATED REVENUE AND INCOME***(net of intragroup eliminations)*

(in millions of euro)	H1 2021		H1 2020		Change	
		%		%	%	% ¹
Business segments						
Italmobiliare	36.3	15.6	23.1	14.9	57.0	57.0
Caffè Borbone	129.2	55.5	104.1	66.9	24.1	24.09
Italgen	18.3	7.9	13.5	8.7	35.2	35.2
Capitelli	8.4	3.6	7.2	4.6	16.4	16.4
Officina Profumo-Farmaceutica di Santa Maria Novella	12.1	5.2	0.0	0.0	-	-
Casa della Salute	12.5	5.4	0.0	0.0	-	-
Callmewine	8.3	3.6	0.0	0.0	-	-
Tecnica Group	-	0.0	-	0.0	-	-
Autogas Nord - AGN Energia	-	0.0	-	0.0	-	-
Iseo	-	0.0	-	0.0	-	-
Other	7.6	3.2	7.7	4.9	0.2	0.2
Total	232.7	100.0	155.6	100.0	49.6	28.4

1 On a like-for-like basis and at constant exchange rates.

The positive change in revenue and income, equal to 49.6% compared with the first half of 2020, was reached thanks to the results of Italmobiliare (+13.2 million euro), Caffè Borbone (+25.1 million euro) and of companies acquired in the last quarter of 2020 (Santa Maria Novella, Casa della Salute and Callmewine, with a total of 32.9 million euro).

BREAKDOWN OF CONSOLIDATED PROFIT BY SEGMENT

(in millions of euro)	June 2021	June 2020
Business segments		
Italmobiliare	41.7	(16.9)
Caffè Borbone	14.8	14.0
Sirap	70.0	2.2
Italgen	4.9	2.4
Capitelli	1.7	0.8
Officina Profumo-Farmaceutica di Santa Maria Novella	0.9	0.2
Casa della Salute	(0.1)	0.0
Callmewine	(0.1)	0.0
Tecnica Group	(1.0)	(6.6)
Autogas Nord - AGN Energia	6.6	2.2
Iseo	2.9	(1.2)
Other companies	(1.0)	1.0
Elimination of dividends and intragroup gains/losses	(34.2)	(6.2)
Profit/(loss) for the period attributable to owners of the parent company	107.1	(8.1)

STATEMENT OF COMPREHENSIVE INCOME

In the first half of 2021, the components of the comprehensive income from continuing operations had a positive balance of 17.0 million euro (negative of 54.6 million euro in the first half of 2020), mainly due to 17.0 million euro of positive adjustments to assets classified as FVTOCI.

Therefore, taking into account the profit for the period of 117.4 million euro and the components mentioned above, total comprehensive income for the period is 138.6 million euro (-55.4 million euro at June 30, 2020).

The statement of comprehensive income forms part of the consolidated financial statements.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(in millions of euro)	June 30, 2021	December 31, 2020
Property, plant & equipment and investment property	172.4	167.5
Intangible assets	548.7	553.5
Other non-current assets	567.0	483.7
Non-current assets	1,288.1	1,204.7
Current assets	620.8	608.8
Assets classified as held for sale *	0.0	131.5
Total assets	1,908.9	1,945.0
Equity attributable to owners of the parent company	1,413.8	1,330.4
Non-controlling interests	150.8	193.8
Total equity	1,564.6	1,524.2
Non-current liabilities	114.9	177.6
Current liabilities	229.3	183.1
Total liabilities	344.2	360.7
Liabilities directly linked to discontinued operations *	0.1	60.1
Total equity and liabilities	1,908.9	1,945.0

* Sirap Gema S.p.A., Sirap UK and Sirap France are fully consolidated, as the requirements for being presented as assets/liabilities held for sale at June 30, 2021 were not met.

EQUITY

Total equity at June 30, 2021 was 1,564.6 million euro, showing an increase of 40.4 million euro compared to December 31, 2020. Equity attributable to the owners of the parent company increased by 83.4 million euro, while non-controlling interests decreased by 43.0 million euro. The overall change was due to:

- the profit for the period of 117.4 million euro;
- the change in the fair value reserve on FVTOCI investments for +17.0 million euro, net of the related tax effect;
- dividends paid for 39.9 million euro;
- change in the scope consolidation and other changes for -54.0 million euro.

At June 30, 2021, the share capital of Italmobiliare S.p.A. was equal to 100,166,937 euro, divided into 42,500,000 ordinary shares.

At June 30, 2021 Italmobiliare S.p.A. holds 217,070 ordinary shares as treasury shares, equal to approximately 0.5% of the share capital.

NET FINANCIAL POSITION

At June 30, 2021 the net financial position, positive by 354.5 million euro, recorded an increase of 10.5% compared with the situation at December 31, 2020 (320.8 million euro).

BREAKDOWN OF THE NET FINANCIAL POSITION

(in millions of euro)	June 30, 2021	December 31, 2020
Current financial assets	460.6	456.5
Current financial liabilities	(74.0)	(67.9)
Non-current financial assets	20.5	35.2
Non-current financial liabilities	(52.6)	(83.2)
NFP of assets held for sale	0.0	(19.8)
Net financial position	354.5	320.8

CONDENSED STATEMENT OF CASH FLOWS

(in millions of euro)	H1 2021	H1 2020
Net financial position at the beginning of period	320.8	475.2
Cash flows from operating activities	2.2	1.8
Capital expenditure:		
<i>PPE, investment property and intangible assets</i>	(24.1)	(14.0)
<i>Non-current financial assets</i>	(84.6)	(54.3)
Cash flows from investing activities	(108.7)	(68.3)
Proceeds from disposal of non-current assets	176.5	48.5
Dividends paid	(39.9)	(76.0)
Translation and structure differences	(6.9)	1.0
Other	10.6	2.2
Net cash flows for the period	33.8	(90.8)
Cash flows relating to assets classified as held for sale	(0.1)	-
Net financial position at the end of period	354.5	384.4

CAPITAL EXPENDITURE

(in millions of euro)	Investments in non-current financial assets		Investments in PPE and investment property		Investments in intangible assets		Total capital expenditure	
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Business segments								
Italmobiliare	83.7	13.0	0.3	0.9	-	-	84.0	13.9
Caffè Borbone	-	-	5.7	2.7	0.2	0.1	5.9	2.8
Officina Profumo-Farmaceutica di Santa Maria Novella	-	41.3	0.4	-	0.2	-	0.6	41.3
Sirap	-	-	1.7	7.7	-	0.1	1.7	7.8
Italgen	4.8	-	2.4	1.6	-	-	7.2	1.6
Casa della Salute	-	-	8.0	-	0.5	-	8.5	-
Capitelli	-	-	0.5	0.2	0.1	-	0.6	0.2
Callmewine	-	-	-	-	-	-	-	-
Other companies	0.1	-	0.9	0.4	2.4	-	3.4	0.4
Inter-segment eliminations	-	-	(0.3)	(0.3)	-	-	(0.3)	(0.3)
Total capital expenditure	88.6	54.3	19.6	13.2	3.4	0.2	111.6	67.7
Change in receivables/payables for purchase of property	(4.0)	-	1.1	0.6	-	-	(2.9)	0.6
Total capital expenditure	84.6	54.3	20.7	13.8	3.4	0.2	108.7	68.3

The capital expenditure made by the Group in the first half of the year totalled 108.7 million euro, 40.4 million euro down compared to the first half of 2020 (68.3 million euro).

The cash flows from investing in financial assets, equal to 84.6 million euro (54.3 million euro in the first half of 2020), mainly refer to the acquisition of the equity investment in Bacco S.p.A. for 43.7 million euro; in Private Equity funds for 23.9 million euro and in KKR Teemo for 10.5 million euro.

The cash flows from investing in property, plant & equipment amount to euro 20.7 million and mainly refer to Casa della Salute and Caffè Borbone.

The Group's divestments during the first half of 2021 amounted to 176.5 million euro and mainly refer to the assets sold by Sirap for 143.6 million euro and the HeidelbergCement shares sold for 29.9 million euro.

Italmobiliare S.p.A.



BUSINESS AND FINANCIAL PERFORMANCE

(in millions of euro)	H1 2021	H1 2020	Change %
Revenue and income	63.9	30.5	109.7
Gross operating profit (EBITDA)	45.9	(20.6)	>100
% of revenue	71.8	(67.5)	
Amortization and depreciation	(0.4)	(0.3)	15.7
Impairment losses on non-current assets	-	-	-
Operating profit (EBIT)	45.5	(20.9)	>100
% of revenue	71.2	(68.6)	
Net finance income (costs)	-	-	(27.0)
Impairment losses on financial assets	-	(0.5)	(98.8)
Profit/(loss) before tax	45.5	(21.4)	>100
% of revenue	71.2	(70.3)	
Income tax	(3.8)	4.8	>100
Profit/(loss) for the period	41.7	(16.6)	>100

(in millions of euro)	June 30, 2021	December 31, 2020
Total equity	1,315.3	1,280.2
Net financial position	327.2	387.2
Employees (headcount) at the end of the period	41	38

RESULTS IN ACCORDANCE WITH THE FINANCIAL MODEL

Given the specific nature of the Company, in order to allow a full understanding of its performance, the following table shows the results in a format normally used for finance companies. This format shows:

- "Net gains (losses) on equity investments" which, in the case of equity investments classified as FVTOCI, includes dividends received. On the other hand, in the case of equity investments in subsidiaries and associates, this item includes both dividends and gains/losses realized on sales, as well as any impairment losses;
- "Net gains (losses) on investments of cash and cash equivalents", which includes interest income on bank coupons and deposits, impairment gains or losses on bonds and trading equities measured at FVTPL, gains/losses realized on the sale of trading securities, income/expense on trading derivatives and investment funds measured at FVTPL and "Net borrowing costs". "Net borrowing costs" consist essentially of interest expense on borrowings, bank commissions and costs;
- "Other income and expenses" include personnel expense and operating expenses for the financial structure, net of amounts recovered from other Group companies or third parties.

(in millions of euro)	H1 2021	H1 2020	Change %
Net gains (losses) on equity investments	30.1	8.6	n.s.
Net gains on investments of cash and cash equivalents	29.9	(10.9)	n.s.
Total finance income/costs	60.0	(2.3)	n.s.
Other expenses	(14.5)	(19.1)	(24.1)
Income tax	(3.8)	4.8	n.s.
Profit/(loss) for the period	41.7	(16.6)	n.s.

n.s. not significant

Net income and charges from equity investments are positive for 30.1 million euro, up compared to the 8.6 million euro at June 30, 2020, mainly because of higher dividends collected or approved (+21.0 million euro, mainly due to postponement in 2020 of the distribution of dividends by Caffè Borbone following the Covid-19 risk, which were then distributed in the second half of 2020). Furthermore, there were write-downs of equity investments for 0.5 million euro in 2020 (zero in 2021).

Net gains on investments of cash and cash equivalents show a positive balance of 29.9 million euro (negative for 10.9 million euro at June 30, 2020). The change is mainly due to the positive performance of trading investments and investment funds which in 2020 were penalized by the negative performance of international markets because of the pandemic.

Other income and expense are negative for 14.5 million euro (-19.1 million euro at June 30, 2020), down mainly because of higher extraordinary operating costs recorded in 2020 (5.8 million euro for MBO and LTI payments referring to the previous three years and donations).

After negative taxes for 3.8 million euro (positive for 4.8 million euro at June 30, 2020), the result for the half year was positive for 41.7 million euro (negative for 16.6 million euro at June 30, 2020).

EQUITY

Equity at June 30, 2021 amounts to 1,315.3 million euro, 35.1 million euro up compared to December 31, 2020 (1,280.2 million euro), mainly because of:

- an increase in the fair value of the FVTOCI investments for 18.8 million euro (net of the tax effect);
- sales of FVTOCI investments during the period (+1.2 million euro);
- dividends paid for 27.5 million euro;
- a profit for the period of 41.7 million euro.

NET FINANCIAL POSITION

(in millions of euro)	June 30, 2021	December 31, 2020
Current financial assets	(317.0)	(367.3)
Current financial liabilities	6.8	7.0
Current net financial position	(310.2)	(360.3)
Non-current financial assets	(17.1)	(27.1)
Non-current financial liabilities	0.1	0.2
Non-current net financial position	(17.0)	(26.9)
Net financial position	(327.2)	(387.2)

At June 30, 2021 the net financial position of Italmobiliare S.p.A. is showing a decrease of 59.96 million euro, going from 387.17 million euro at December 31, 2020 to 327.21 million euro at the end of June 2021, allocated for 68% to the Vontobel Fund which has a conservative risk profile consistent with the company's investment policies. The main flows include the investment as co-investor of the Clessidra Capital Partners 3 fund in the acquisition of Casa Vinicola Botter Carlo & C. S.p.A., through Bacco (-43.6 million euro), the investment in private equity funds (-23.9 million euro) and other investments (-19.5 million euro), partially offset by the sale of HeidelbergCement shares (+29.9 million euro).

LITIGATION AND DISPUTES PENDING

A description of the main legal and tax disputes involving Italmobiliare S.p.A. is provided in the relevant section on page 54.

OUTLOOK

The business outlook for Italmobiliare S.p.A. is explained in the relevant section on page 55.

MAIN FINANCIAL ASSETS OF ITALMOBILIARE S.P.A.

HeidelbergCement

In the second quarter of the year, HeidelbergCement showed a decline of 6.6% (-3.8% including dividends), against the trend of the reference index (Stoxx Europe 600 Construction & Materials), which rose by 6.4% (8.2% including dividends). At the end of the day, the decline during the quarter was a correction of the significant jump in prices from the lows of March 2020 (€ 29.9) to the highs of April 2021 (€ 80.4). Overall, in the first half of the year, the stock's performance is in line with the market index: 18.2% (21.8% with dividends) and 18.4% (20.9%) respectively. The corporate strategy, focused on cash generation, portfolio optimisation and increased margins, is reflected in the reduction in leverage (Net Debt/EBITDA), which fell below 2x in 2020 and is expected to contract further following the announced agreement to sell certain assets in the United States. As regards sustainability, in addition to having defined an acceleration of the targets for reducing net emissions, the company ranks among the most efficient in the sector in terms of energy. The economic cycle and economic policy measures (tax incentives and infrastructure plans) at a global level fuel the demand of the sector and support the pricing power of companies despite the increase in prices of energy and CO₂. The multiples remain at a discount compared with the sector and in absolute terms. The positive context is affected by factors of uncertainty, such as the Delta variant of the virus, which could have an impact on the economic cycle. During the half-year, the rise in share prices was taken as a selling opportunity to generate liquidity for the new investments.

Private Equity Funds

The Company has invested in a portfolio of selected Italian and international Private Equity funds with a view to diversifying its investments by sector and geographical area, including the CCP3 and CCP4 Funds and Clessidra's Restructuring Fund, the BDT Fund II and III, Isomer Capital I, Connect Ventures 3, Iconiq IV and V, Lindsay Goldberg Fund V and Lauxera. During the first half of 2021 the value of Private Equity funds, which recorded a positive performance overall with an increase in fair value of 18.2 million euro, increased overall by 43.6 million euro, mainly due to investments (23.9 million euro), the exchange rate difference (2.2 million euro) and the above-mentioned revaluation of the funds for disposals (0.7 million euro).

Caffè Borbone

(60% INTEREST)



BUSINESS AND FINANCIAL PERFORMANCE

(in millions of euro)	H1 2021	H1 2020	Change %
Revenue and income	129.2	104.1	24.1
Gross operating profit (EBITDA)	46.2	34.3	34.8
% of revenue	35.7	32.9	
Amortization and depreciation	(4.8)	(4.5)	6.7
Operating profit (EBIT)	41.4	29.8	39.0
% of revenue	32.0	28.6	
Net finance income (costs)	0.7	(0.4)	>100
Profit/(loss) before tax	42.1	29.4	43.2
% of revenue	32.5	28.2	
Income tax	(17.4)	(5.8)	>100
Profit/(loss) for the period	24.7	23.6	4.3
Capital expenditure	5.9	2.8	

(in millions of euro)	June 30, 2021	December 31, 2020
Total equity	340.9	346.3
Net financial position	(12.3)	(11.8)
Employees (headcount) at the end of the period	248	218

Caffè Borbone closes the first half of 2021 with a turnover of 129.2 million euro, up by 24.1% compared with 2020. The contribution of the second quarter was positive, closing with +16.3% compared with the same period of the previous year.

In terms of products, the capsules aggregate continues to lead the overall performance of the company, recording a growth of almost 30% compared with the previous period. At channel level, Caffè Borbone continues its trend of increasing market share in the large-scale retail trade, closing the half year with a +57% compared with 2020 in a mono-portioned market which posted an overall +7% (source: Nielsen); the performance of the specialist store channel was also very positive.

The gross operating profit for the first half comes to 46.2 million euro, up by almost 35% compared with 2020 and with a sales margin of 35.7%, an improvement compared with the same period of 2020 (+2.8 percentage points).

Finance income and expenses for the period were positive for Euro 0.7 million, also thanks to dividends received from the subsidiary MFS Web for Euro 0.8 million.

Taxes for the half year amount to Euro 17.4 million, including a one-off negative impact of Euro 6.0 million due to the decision to release part of the reserves associated with the realignment of the statutory and fiscal value of intangible assets (art. 110 eighth paragraph of Legislative Decree 104/2020), better described in the report on the results for 2020.

The profit for the first half of the year was 24.7 million euro, 4.3% up on the previous year.

Capital expenditure during the period amounted to 5.9 million euro, higher than 2020, and mainly refers to investments in machinery for packaging single-dose products.

The net financial position at June 30, 2021 is negative for 12.3 million euro, already net of the distribution of dividends for 30 million euro in the second quarter. Cash generation before dividends in the first half was positive for 29.5 million euro.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

No significant events took place after the end of the period.

OUTLOOK

The positive sales figures in the first few weeks of July corroborate management's forecasts that Caffè Borbone will continue to grow in the second half of 2021 as well. In terms of margins, it is expected that the levels recorded in the first half of the year will be substantially maintained; the company carefully monitors the sensitivity of the coffee market (and raw materials in general) and the competitive pressure on the single-dose market.

Officina Profumo-Farmaceutica di Santa Maria Novella

(80% INTEREST)
THROUGH THE NEWCO FT2 S.r.l.



BUSINESS AND FINANCIAL PERFORMANCE

(in millions of euro)	H1 2021	H1 2020	Change %
Revenue and income	12.1	10.5	15.5
Gross operating profit (EBITDA)	3.8	2.8	37.2
% of revenue	31.5	26.5	
Amortization and depreciation	(1.6)	(1.6)	1.6
Operating profit (EBIT)	2.2	1.2	85.6
% of revenue	18.0	11.2	
Net finance income (costs)	(0.7)	(0.1)	>100
Profit/(loss) before tax	1.5	1.1	32.3
% of revenue	11.9	10.4	
Income tax	(0.4)	(0.1)	>100
Profit/(loss) for the period	1.1	1.0	10.8
Capital expenditure	0.6	41.3	

The figures in the table refer to the Officina Profumo-Farmaceutica di Santa Maria Novella Group.
Figures are consolidated and the figures for the first half of 2021 have not been audited.

(in millions of euro)	June 30, 2021	December 31, 2020
Total equity	155.9	200.3
Net financial position	16.1	10.1
Employees (headcount) at the end of the period	119	117

On May 19, 2021, Santa Maria Novella completed the sale of its entire shareholding in the subsidiary San Carlo S.p.A., which operates in the bottled water sector, for 1.8 million euro. This will not have a significant impact on Santa Maria Novella's revenue and gross operating margin.

The revenue of the Santa Maria Novella Group in the first half of the year shows a recovery of 15.5% (+1.6 million euro) compared with last year. The trend was particularly positive in the second quarter, which saw a turnover of 6.6 million euro (+1.2 million euro compared with the previous quarter), showing better results than in 2020 and, with the sole exception of Italy, they were also better than in 2019.

The positive trend in the half year is mainly attributable to the performance of the wholesale channel, driven by the APAC market, and by e-commerce sales. On the other hand, there has been a contraction in direct retail sales compared with last year: the lack of a recovery on the part of the "La Scala" store in Florence, caused mainly by the contraction in international tourist flows, has been partially offset by the positive results of the stores in the US (+67% compared with the first half of 2020).

The gross operating profit was 3.8 million euro, up by 37.2% compared with last year.

Finance income and expenses for the period were negative for 0.7 million euro, including a negative impact of 0.4 million euro linked to the sale of San Carlo.

At June 30, 2021 the net financial position was positive for 16.1 million euro, with an improvement of 6.0 million euro compared with the end of 2020, including the proceeds from the sale of San Carlo; without them, cash generation in the half year was positive for 4.2 million euro.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

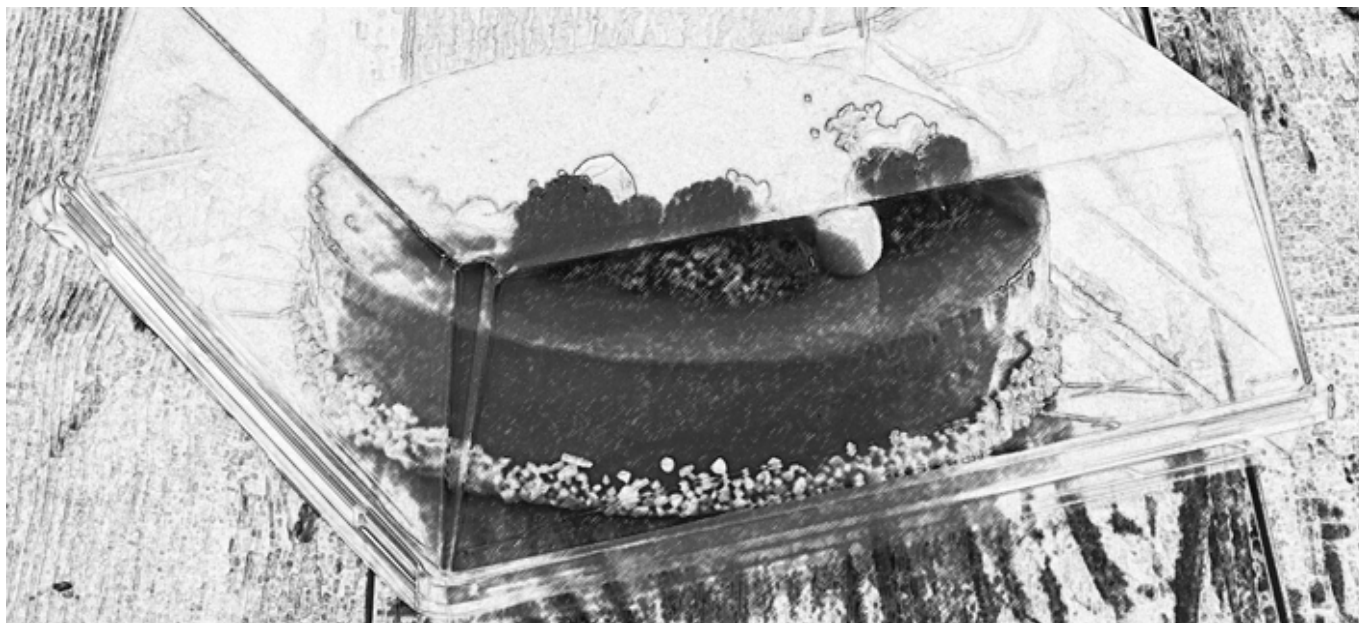
On July 1, 2021, the company completed the acquisition of 100% of Farmacia Ltd (UK), which is the exclusive distributor of Santa Maria Novella products in the UK, for 1.9 million euro.

OUTLOOK

For the second half of 2021, further growth in revenue is expected compared with the previous year; of course, the retail component will be impacted by how the Covid-19 emergency evolves and by the consequent restrictions on travel, especially intercontinental.

Sirap

(100% INTEREST)



BUSINESS AND FINANCIAL PERFORMANCE

(in millions of euro)	H1 2021	H1 2020	Change %
Revenue and income	34.5	35.4	(2.4)
Gross operating profit (EBITDA)	0.2	0.9	(73.2)
% of revenue	0.7	2.6	
Amortization and depreciation	(2.2)	(2.1)	(6.7)
Operating profit (EBIT)	(2.0)	(1.2)	(70.1)
% of revenue	(5.7)	(3.3)	
Net finance income (costs)	(0.2)	(0.1)	>100
Profit/(loss) before tax	(2.2)	(1.3)	(76.0)
% of revenue	(6.4)	(3.5)	
Income tax	(0.3)	(0.3)	14.0
Profit/(loss) from continuing operations	(2.5)	(1.6)	(58.6)
Profit/(loss) from discontinued operations, net of tax	79.0	-	>100
Profit/(loss) for the period	76.5	(1.6)	>100
Capital expenditure	1.7	1.0	

The figures in the table refer to the Sirap Group.

(in millions of euro)	June 30, 2021	December 31, 2020
Total equity	100.7	35.9
Net financial position	65.4	(64.6)
Employees (headcount) at the end of the period	321	1,369

As mentioned in the previous quarterly reports, the beginning of the 2021 financial year saw a radical change in the corporate structure of the Sirap Group. In particular,

- On January 4, 2021 Sirap sold its assets in Italy, Poland and Spain to Faerch;
- On April 30, 2021 Sirap completed the sale of the Petruzalek Group and Sirap GmbH to Zeus Packaging;
- Also on April 30, 2021 Sirap paid the European Commission the balance that was due to settle the Antitrust dispute.

The numbers in the table represent the new scope of the Sirap Group, made up of Sirap France, Sirap UK and Sirap Gema in Italy, which carries out coordination activities after the sale of the Italian business; the economic results for 2020 were also restated on a pro-forma basis so that they could be comparable.

In the first half of the year, the Sirap Group's revenue amounted to 34.5 million euro, down by 2.4% on the same period last year. Neutralising the effect of the decline in intragroup revenue due to the new scope, revenue is constant compared with 2020.

Gross operating profit in the first six months came to 0.2 million euro, including 1.1 million euro of costs related to the asset disposals, as mentioned in the introduction¹; neutralising them, gross operating profit is positive for 1.3 million euro, up 0.4 million euro compared with 2020 pro-forma, despite the hefty increase in the cost of plastic raw materials that marked the first few months of 2021.

The result of discontinued operations, equal to € 79.0 million, has been reduced compared with the quarterly situation at March 31, 2021 due to a different method of accounting (IFRS 10) for the gain on sale of the assets sold to Faerch.

The net result for the half year was a profit of 76.5 million euro, with the asset sales having a positive impact of 79.0 million euro.

The net financial position at June 30, 2021 is positive for 65.4 million euro (already including the impact of the balance paid due to settle the Antitrust dispute, which will be detailed more fully below), with an improvement of 130 million euro compared with December 31, 2020 because of the transactions mentioned previously. Pending the distribution of liquidity in the form of dividends, which can only take place after the end of 2021, including the profit made on the asset sales, forms of liquidity investment with a very low risk profile have been introduced.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

No significant events took place after the end of the period.

LITIGATION AND DISPUTES PENDING

With reference to the dispute that was pending before the European Commission - for the description please refer to what has been amply illustrated in previous directors' reports with proceedings most recently pending before the EU Court of Justice (Case C-694/19) - it should be noted that on April 15, 2021 the Court issued a ruling rejecting the appeal presented against the ruling of the Court of the European Union which confirmed the sanction imposed by the Commission.

On April 30, 2021 Sirap paid the European Commission the balance of the fine that was due.

¹ Compared with the previous quarterly report, 2.5 million euro of asset sale-related costs have been reclassified to capital gains/losses under gross operating profit.

OUTLOOK

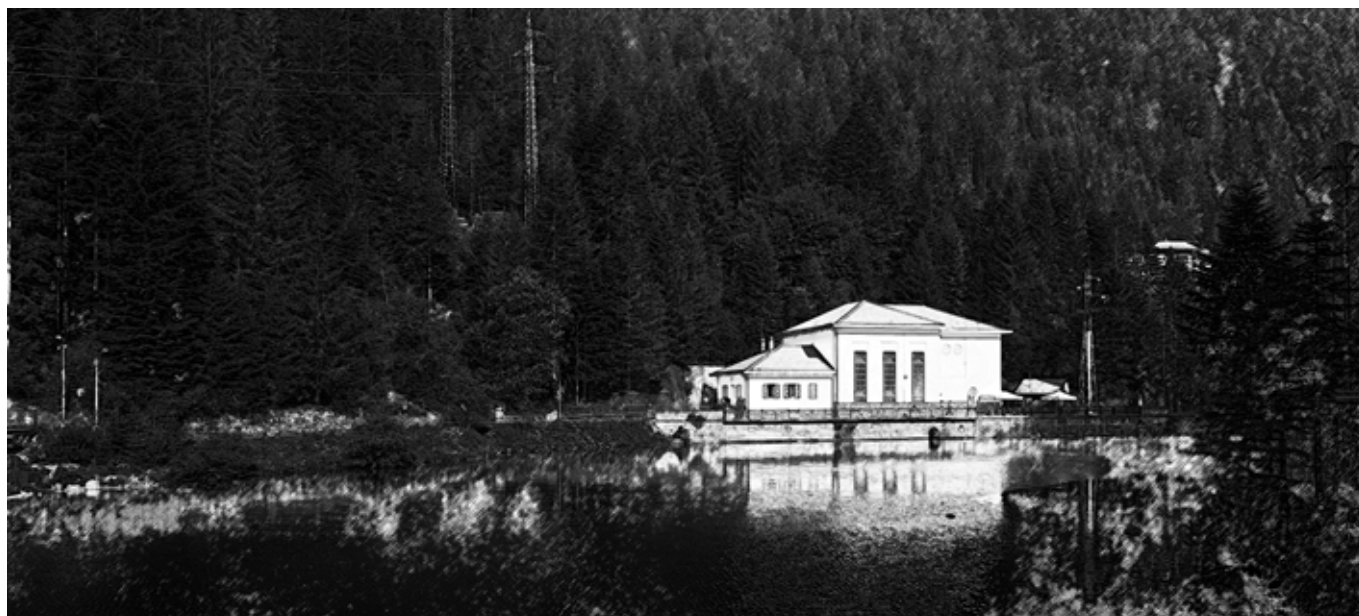
With reference to the organic development of the business in France and England, the company expects revenue in the second half to be substantially in line with the same period of 2020, net of the expected decline in intra-group revenue within the new scope, though with insignificant impacts on the Group's profitability, and any resurgence of the current pandemic.

With regard to margins, as mentioned previously, plastic raw material underwent significant price hikes in the first few months of 2021; this trend is expected to diminish in the second half of 2021, though it is very difficult to predict when and to what extent this is likely to happen.

Lastly, an analysis is currently underway for enhancing the value of Sirap France and Sirap UK externally; updates on this matter will be provided in the next quarterly reports.

Italgen

(100% INTEREST)



BUSINESS AND FINANCIAL PERFORMANCE

(in millions of euro)	H1 2021	H1 2020	Change %
Revenue and income	18.3	13.5	35.2
Gross operating profit (EBITDA)	8.7	5.0	75.5
<i>% of revenue</i>	47.7	36.8	
Amortization and depreciation	(2.0)	(2.0)	0.1
Operating profit (EBIT)	6.7	3.0	>100
<i>% of revenue</i>	36.7	21.9	
Net finance income (costs)	(0.1)	(0.3)	48.0
Share of profit (loss) of equity-accounted associates	0.1	0.3	(44.8)
Profit/(loss) before tax	6.7	3.0	>100
<i>% of revenue</i>	36.9	22.3	
Income tax	(1.8)	(0.6)	>100
Profit/(loss) for the period	4.9	2.4	>100
Capital expenditure	2.4	1.6	

The figures in the table refer to the Italgen Group.

(in millions of euro)	June 30, 2021	December 31, 2020
Total equity	28.3	29.7
Net financial position	(23.9)	(10.2)
Employees (headcount) at the end of the period	70	70

On June 29, 2021 it was finalised the acquisition of the 100% stake of Idroenergy Srl, which will allow Italgem to control 8 hydroelectric plants distributed between the provinces of Verbano Cusio-Ossola and Vercelli, with an expected annual production of approximately 19 GWh. The deal, which has a maximum enterprise value of 15.1 million euro if the objectives set by an earn-out mechanism are achieved in full, had an impact on the Italgem Group's costs and net financial position in the first half of 2021, as detailed below.

The hydroelectric output in the first half of the year stands at 157.8 GWh, a slight increase (+1%) on the same period of 2020, which was already the highest level achieved in the last 5 years. Average unit revenue is 62.8 €/MWh, much higher than in the first half of 2020 (+34%) due to the combined effect of the upward trend that involved all commodities (including energy) in early 2021 and the negative impact of the lock-down on energy prices in the second quarter of 2020.

Overall revenue for the half year amounted to 18.3 million euro, with an increase of 4.8 million euro (+35.2%) compared with last year, mainly due to the positive price effect.

The gross operating profit comes to 8.7 million, showing an increase of 3.7 million (+75.5%) compared with the first half of 2020; the growth in revenue was in fact only partially offset by an increase in operating costs (+1.0 million euro), mainly attributable to regulatory changes (+0.4 million euro, of which 0.2 million euro related to higher rents and 0.2 million euro for the sale of free energy to the Regions) and the costs associated with the acquisition mentioned in the introduction (0.2 million euro).

The profit for the first half is 4.9 million euro, substantially doubling last year's result.

The net financial position of the Italgem Group at June 30, 2021 was negative for 23.9 million euro, already net of the distribution of dividends for 4.8 million euro in the second quarter; in addition, the acquisition of Idroenergy Srl mentioned in the introduction had a negative impact of 12.3 million euro. Neutralising both the dividends and the extraordinary transaction, positive cash generation in the half year was 3.4 million euro, despite an unfavourable trend in working capital.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On July 22, 2021 Italgem committed to buy two plants in the province of Bergamo, with an expected annual production of approximately 5 GWh and an enterprise value of 8 million euro. The company expects to finalise the deal by the end of the 2021 third quarter. More details will be provided in the next quarterly report.

LITIGATION AND DISPUTES PENDING

Italgen is involved in tax and administrative proceedings and in legal actions related to the normal performance of its activities. Any liabilities are adequately covered by the provision for risks in the balance sheet.

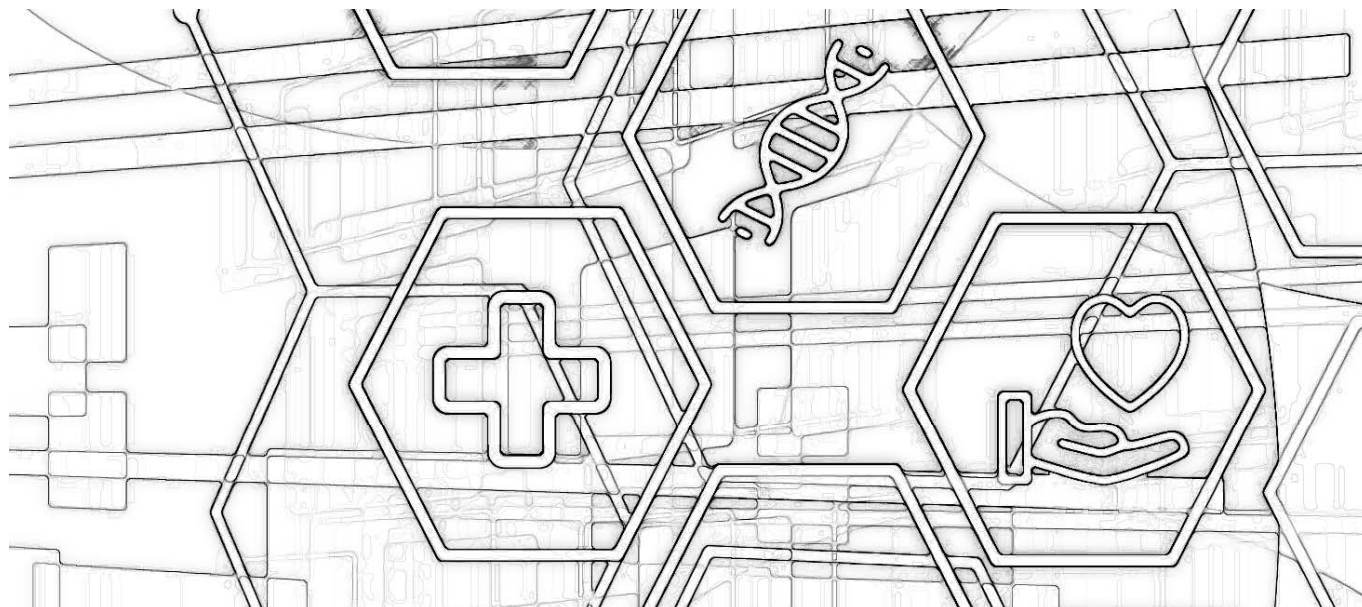
In addition to the provision for risks set aside in the financial statements, it is possible that Italgen may sustain other liabilities in the future, in addition to the amounts already provided for, due to uncertainties about possible regulatory developments in the energy sector, as well as the final outcome of certain proceedings still pending, particularly those connected to the so-called "surcharges" for the provisional operation of the large hydroelectric branches and reimbursement of the additional excise duties on electricity.

OUTLOOK

Preliminary figures for July saw a further acceleration in the upward trend in energy prices, also confirmed by the trend in futures. The company expects that this trend, reinforced by sales at fixed price already carried out for a significant percentage of production without incentives, will help to achieve better results than last year also in the second half of 2021.

Casa della Salute

(92.5% INTEREST)



BUSINESS AND FINANCIAL PERFORMANCE

(in millions of euro)	H1 2021	H1 2020	Change %
Revenue and income	12.5	6.6	90.2
Gross operating profit (EBITDA)	1.6	0.4	>100
% of revenue	12.8	6.5	
Amortization and depreciation	(1.2)	(1.0)	(23.6)
Operating profit (EBIT)	0.4	(0.6)	>100
% of revenue	3.3	(8.2)	
Net finance income (costs)	(0.2)	(0.0)	>100
Profit/(loss) before tax	0.2	(0.6)	>100
% of revenue	1.6	(8.9)	
Income tax	(0.2)	0.2	>100
Profit/(loss) for the period	0.0	(0.4)	92.7
Capital expenditure	8.5	1.4	

Figures are consolidated and the figures for the first half of 2021 have not been audited.

(in millions of euro)	June 30, 2021	December 31, 2020
Total equity	4.7	0.8
Net financial position	(24.8)	(16.5)
Employees (headcount) at the end of the period	172	122

Casa della Salute closed the first half year with revenue of 12.5 million euro, up by 90.2% compared with the same period of last year, which was impacted by the first lockdown. In terms of performance, medical imaging and dental services are up compared with 2020, but still slowed by the ongoing pandemic; outpatient services and surgery, on the other hand, are very positive. The Genoa vaccination centre inaugurated on March 29, 2021 made a good contribution in the quarter, even if in terms of profit there were no significant impacts.

The gross operating profit comes to 1.6 million euro, which quadrupled the result of last year, with a margin of 12.8%. Note that the gross operating profit for the first half of 2021 includes non-recurring costs for 0.2 million euro, mainly related to the new openings.

The result for the first half of the year was negative for 30 million euro, improving on last year.

Investments in the period amounted to 8.5 million euro, showing a significant increase compared with the previous year. The majority of the investments are attributable to the opening of new clinics planned for 2021; in particular, the openings in Chiavari and La Spezia in the third quarter of 2021 are confirmed, while plans are underway for a further three openings before the end of 2021.

The net financial position at June 30, 2021 is negative for 24.8 million euro, with a cash generation in the half year negative for 8.3 million euro for the aforementioned investments for the opening of new clinics during the year.

The increase in equity from 0.8 million euro at December 31, 2020 to 4.7 million euro at June 30, 2021, is attributable to the decision to revalue the Casa della Salute brand by euro 4.1 million.

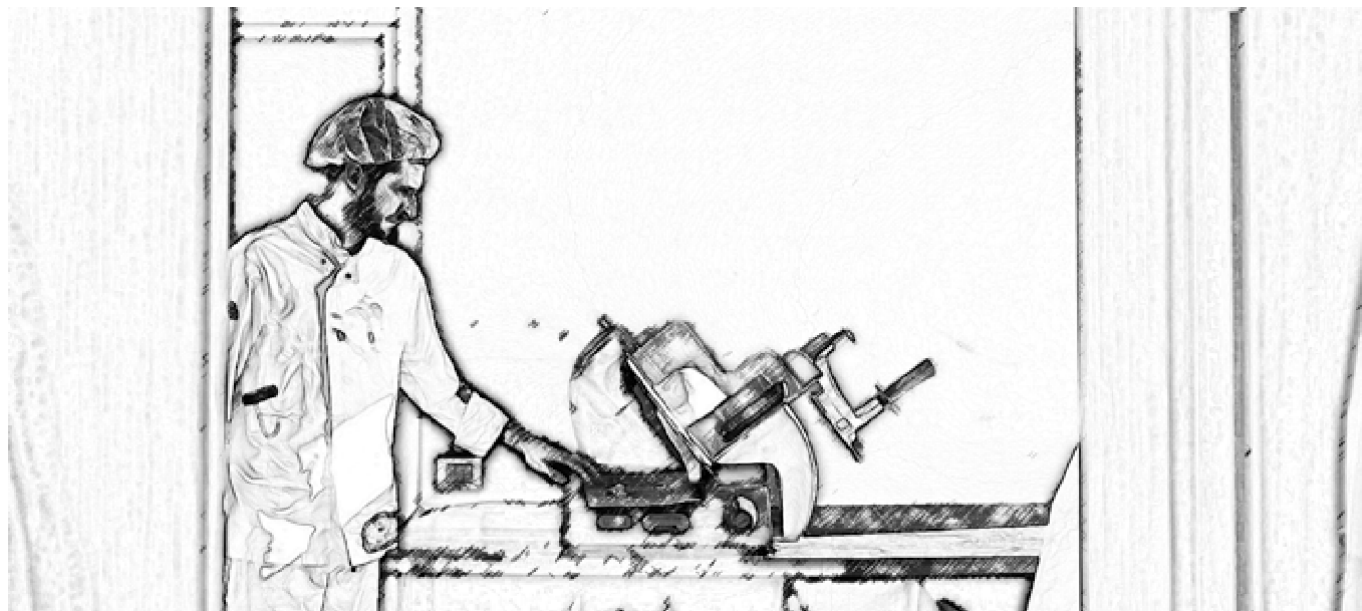
OUTLOOK

For the second half of the year, the company expects revenue to grow compared with the same period of 2020, thanks to the growth of the existing clinics and the opening of new clinics during the second half of 2021.

Also for the gross operating profit, an improvement is expected compared with the second half of last year, which, as detailed in the 2020 report, was burdened by costs linked to Italmobiliare's entry into the company structure.

Capitelli

(80% INTEREST)



BUSINESS AND FINANCIAL PERFORMANCE

(in millions of euro)	H1 2021	H1 2020	Change %
Revenue and income	8.4	7.2	16.4
Gross operating profit (EBITDA)	2.0	1.8	13.9
% of revenue	24.2	24.7	
Amortization and depreciation	(0.4)	(0.4)	(1.0)
Operating profit (EBIT)	1.6	1.4	17.6
% of revenue	19.3	19.1	
Net finance income (costs)	0.0	0.0	>100
Profit/(loss) before tax	1.6	1.4	18.1
% of revenue	19.4	19.2	
Income tax	0.5	(0.4)	>100
Profit/(loss) for the period	2.1	1.0	>100
Capital expenditure	0.6	0.2	

* The 2020 numbers refer to the consolidated figures with FT1 S.r.l.

(in millions of euro)	June 30, 2021	December 31, 2020
Total equity	19.9	19.8
Net financial position	1.5	3.7
Employees (headcount) at the end of the period	34	34

Capitelli's first half closes with revenue of Euro 8.4 million, showing an increase of 16.4% on last year and an increase of 23% considering only the second quarter. The result for the half year is even more positive considering the continuing impact of the ongoing health emergency on Capitelli: the Ho.Re.Ca. channel remains very slack, while the growth recorded in the large-scale retail trade (+25% vs. 2020) was achieved despite the restrictions still present on tastings at the point of sales, which is fundamental for the company's business model.

Gross operating profit in the half year was 2.0 million euro, up 0.2 million euro on last year; margins remain substantially unchanged at very high levels for the sector.

Net of amortisation and depreciation, which are substantially the same, the operating result for the half year is 1.6 million euro (+17.6% on 2020).

Taxes are positive for 0.5 million euro, including a positive one-off impact of 0.9 million euro linked to the company's decision to realign the statutory and fiscal value of goodwill pursuant to art. 15, paragraph 10, of Legislative Decree 185/2008. In particular, this decision involved paying a substitute tax of 1.3 million euro that will make possible to obtain tax savings of 2.2 million euro in the five-year period 2022-2026, already recognised in the income statement for the first half of 2021 as deferred tax assets.

Profit for the half year was positive for 2.1 million euro, substantially doubling the result recorded last year, mainly thanks to a one-off positive impact on taxes.

Capital expenditure for the year came to 0.6 million euro, which was higher than in 2020 and than the historical level of the company as the company aim at expanding its production capacity.

The net financial position at June 30, 2021 is positive for 1.5 million euro, already net of the distribution of dividends for 2.0 million euro in the second quarter and payment of a substitute tax of 1.3 million euro as already mentioned. Neutralising these two effects, cash generation in the half year was positive for 1.1 million euro.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

No significant events took place after the end of the period.

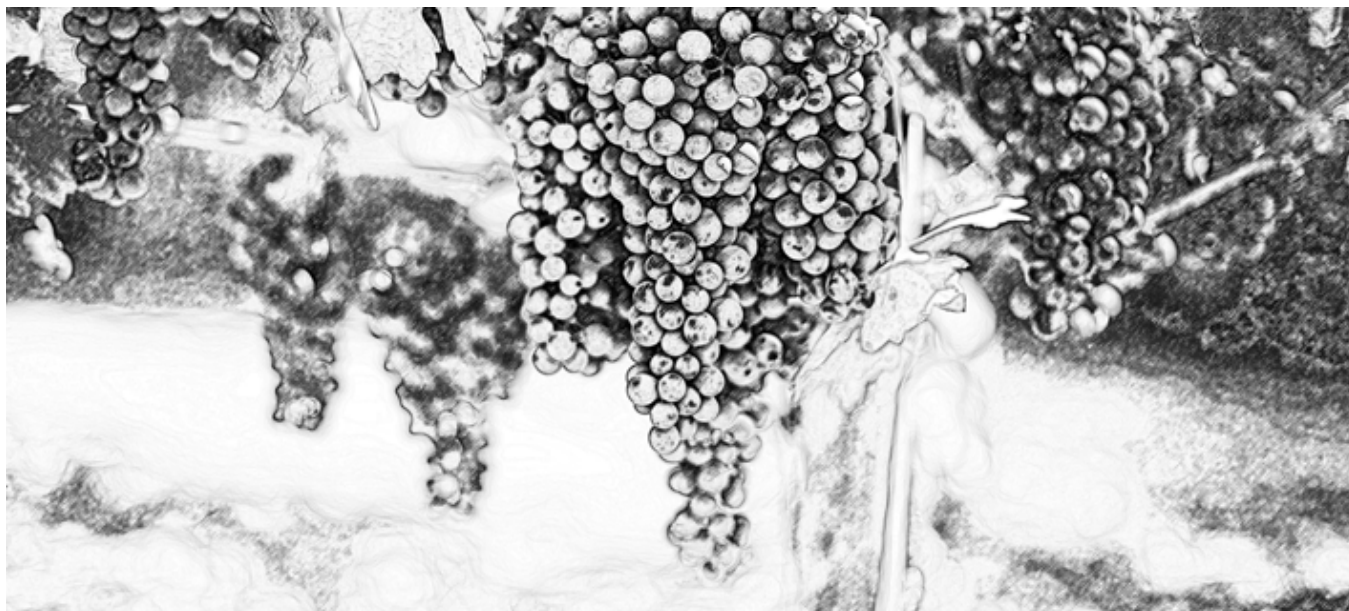
OUTLOOK

The company expects to continue on its revenue growth path in the second half of the year; its growth expectations are confirmed both by the sales figures of the first few weeks of July and by the elimination of the constraints linked to production capacity, which often led to potential volumes being lost in recent years. The ongoing pandemic will clearly affect the trend in revenue, particularly in the Ho.Re.Ca. channel and the large-scale retail trade due to the restrictions in the tastings at the point of sales.

In terms of profit margin, the company is closely monitoring the sensitivity of the fresh meat market, which intensified in the last few weeks of June.

Callmewine

(60% INTEREST)



BUSINESS AND FINANCIAL PERFORMANCE

(in millions of euro)	H1 2021	H1 2020	Change %
Revenue and income	8.3	5.4	52.7
Gross operating profit (EBITDA)	0.0	0.3	(85.1)
% of revenue	0.6	6.0	
Amortization and depreciation	(0.1)	-	>100
Operating profit (EBIT)	(0.1)	0.3	>100
% of revenue	(0.9)	5.8	
Net finance income (costs)	(0.0)	(0.0)	14.3
Profit/(loss) before tax	(0.1)	0.3	>100
% of revenue	(1.0)	5.7	
Income tax	(0.0)	(0.1)	99.1
Profit/(loss) for the period	(0.1)	0.2	>100
Capital expenditure	-	-	

The figures for the first half of 2021 have not been audited.

(in millions of euro)	June 30, 2021	December 31, 2020
Total equity	4.8	4.7
Net financial position	3.2	4.6
Employees (headcount) at the end of the period	11	9

Callmewine closed the first half with revenues of 8.3 million euro, up by 52.7% compared with the same period of last year; the second quarter recorded a +12%, with a slowdown also attributable to lower social restrictions (and lower domestic consumption of wine as a result) compared with the same period of 2020, which benefited from a sharp acceleration at the time of the first lock-down.

The gross operating profit was 0.1 million euro; as mentioned in the previous quarterly report, this result was affected for 0.2 million euro by the theft occurred in February 2021 at the company's warehouse, which the Company expects to recover entirely during the course of 2021. Without considering the impact of the theft, gross operating profit was at 0.3 million euro, in line with 2020; the growth in revenue and product margin was in fact offset by the increase in marketing costs and staff costs, which will help the company structural growth in the future.

Profit for the first half of the year was 0.1 million euro, which is lower than last year.

The net financial position at June 30, 2021 was positive for 3.2 million euro, with a negative cash flow of 1.4 million euro in the period attributable to the increase in working capital, partly linked to the seasonal nature of the business.

OUTLOOK

The company expects to confirm its recent growth trajectory in the second half as well. At the level of gross operating profit, however, this growth will be offset by the increase in investments, to strengthen the organisational structure, and in marketing.

Tecnica Group

(40% INTEREST)



BUSINESS AND FINANCIAL PERFORMANCE

(in millions of euro)	H1 2021	H1 2020	Change %
Revenue and income	173.7	136.8	27.0
Gross operating profit (EBITDA)	17.1	2.7	> 100
<i>% of revenue</i>	9.8	2.0	
Operating profit (EBIT)	6.9	(7.2)	> 100
<i>% of revenue</i>	4.0	(5.3)	
Profit/(loss) for the period	(2.5)	(14.2)	82.4

The figures in the table refer to the Tecnica Group.

(in millions of euro)	June 30, 2021	December 31, 2020
Total equity	68.6	68.5
Equity attributable to owners of the parent company	42.4	45.1
Net financial position	(161.6)	(171.1)
Employees (headcount) at the end of the period	3,238	3,135

The Tecnica Group has ended the first half period with positive results and a net turnover of 173.7 million euro, up 27% compared with last year and higher than the 2019 result (149.3 million euro).

Even considering the seasonal nature of the business, the winter brands recorded revenues in line with or slightly up on the previous year, but lower than in 2019; in particular, the winter brands are driven by the excellent results of the North American market, while Europe most suffered the cancellation of the 2020/21 winter season. All the other brands of the Group recorded sharp growth in revenue compared with 2020 and higher than 2019 pre-Covid. Together with the confirmation of Lowa's growth (+24% on the previous year), there is also a confirmation of the excellent results of Rollerblade, which consolidates the growth started in 2020, and Moon Boot, which is beginning to capitalise the brand's revitalisation process.

Gross operating profit amounted to 17.1 million euro, up by 14 million euro compared with the same period of last year and well above the result recorded in 2019 (GOP of -1.0 million euro), only partially linked to the different scope of consolidation (the acquisition of Riko was consolidated from the second half of 2019). The positive impact is due to the growth in revenue, but also to a containment of fixed costs which have remained stable compared with last year.

The bottom line for the period - strongly influenced by the seasonal nature of the winter sports business - was a loss of 2.5 million euro, still negative but showing a distinct improvement on the previous year.

At June 30, 2021 the net financial position is negative for 161.6 million euro, with a positive cash generation during the half year of 10.8 million euro, despite the seasonal nature of the business. Compared with June 30, 2020, cash generation in the last twelve months has been positive for 51.8 million euro.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There are no significant events to report.

OUTLOOK

In line with the good results of the first half, the forecast for the year is expected to increase significantly compared with 2020 and in line with or higher than 2019. As regards winter brands, especially in Europe, the current pandemic (and specifically the impacts on the 2021/22 winter season, after the cancellation of the 2020/21 season) will affect the turnover of the 2021 financial year.

Following the trend of the top line, gross operating margin is also expected to increase compared with last year, positively influenced by the cost containment already in place.

The net financial position is also expected to improve significantly compared with December 31, 2020.

Autogas Nord - AGN Energia

(30% INTEREST)



BUSINESS AND FINANCIAL PERFORMANCE

(in millions of euro)	H1 2021	H1 2020	Change %
Revenue and income	259.5	224.2	15.7
Gross operating profit (EBITDA)	34.4	27.4	25.5
% of revenue	13.3	12.2	
Operating profit (EBIT)	20.8	14.8	40.5
% of revenue	8.0	6.6	
Profit/(loss) for the period	16.9	10.7	57.9

The figures in the table refer to the Autogas Group.

(in millions of euro)	June 30, 2021	December 31, 2020
Total equity	185.1	169.8
Equity attributable to owners of the parent company	184.6	169.2
Net financial position	(95.0)	(124.7)
Employees (headcount) at the end of the period	558	555

In the first half of the year, the Autogas Group's turnover amounted to 259.5 million euro, up by 15.7% compared with the same period last year, also due to the increase in the cost of LPG used as a raw material, reflected in terms of revenues but without any impact on the company's profitability.

Looking to the individual businesses, LPG revenue recorded an increase of 21% compared with the first half of 2020, benefiting both from the price effect and from Retail volumes up by 9.4% compared with 2020. The "new" businesses (electricity, natural gas and energy efficiency) closed the half year with revenues up by 15% compared with 2020, thanks to the increase in the average price of energy and the growth in volumes (+7% for electricity, +9% for natural gas).

In the first half, the Group posted a value added margin² of 75.1 million euro, up by 11.9 million euro compared with 2020, thanks to the improvement in unit margins at all businesses and the impact of LPG of hedges on the purchase cost taken out by the company for the winter season 2020/21.

Gross operating profit amounted to 34.4 million euro, up by 25.5% compared with the same period of last year and well above the result recorded in 2019 (28.8 million euro).

The profit for the half year comes to 16.9 million euro, showing an increase of 57.9% compared with last year.

At June 30, 2021 the net financial position was negative for 95 million euro, net of dividends of 4.3 million euro paid in the second quarter. Not considering dividends, cash generation in the half year was positive for 34.0 million euro, partially thanks to the reduction in working capital (-4.1 million euro compared with December 31, 2020), linked above all to the growing attention being paid to trade receivables.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There are no significant events to report.

OUTLOOK

On the revenue side, the company expects the second half of the year to substantially maintain the figures recorded in the same period of last year, gross of the uncertainty about LPG volumes due to the "natural" risk linked to the climate and due to the unknowns consequences of the Covid-19 health emergency.

The focus on the unit margins of the various businesses will be maintained, even if the rising trend in raw material prices (and the lack of LPG hedging in the second half of the year) will make it difficult in the short term to further increase the level achieved in the first half.

² Classified as revenue and income, net of the cost of raw materials and primary transportation.

Iseo

(39.39% INTEREST)

BUSINESS AND FINANCIAL PERFORMANCE

(in millions of euro)	H1 2021	H1 2020	Change %
Revenue and income	78.6	57.5	36.7
Gross operating profit (EBITDA)	12.0	4.0	>100
<i>% of revenue</i>	15.3	7.0	
Operating profit (EBIT)	8.6	0.5	>100
<i>% of revenue</i>	10.9	0.9	
Profit/(loss) for the period	7.1	(0.5)	> 100

The figures in the table refer to the Iseo Group.

The 2020 revenue has been adjusted with respect to those published for a consistent comparison with 2021.

(in millions of euro)	June 30, 2021	December 31, 2020
Total equity	70	66.9
Equity attributable to owners of the parent company	68.1	64.8
Net financial position	(24.1)	(19.7)
Employees (headcount) at the end of the period	1,115	1,147

The Iseo Group has closed the first half with revenue of 78.6 million euro, up by 36.7% on the same period of 2020, which was hit by the consequences of the first lock-down; comparison with the revenue of the same period of 2019 (+6%) is also positive, confirming that the Group has returned to pre-Covid levels.

In terms of products, the mechanical sector saw revenue up by 30% compared with the first half of 2020 and more or less flat compared with 2019; the electronic sector did very well, closing the half year with a +75% compared with 2020 (+53% on 2019) and a promising pipeline of projects. At a geographical level, all of the Group's main markets recorded an increase in turnover, compared with both 2020 and 2019, with the sole exception of the DACH area (Germany, Austria and Switzerland) because of the protracted closure of shops due to the restrictions following the spread of coronavirus.

Gross operating profit was to 12.0 million euro, substantially tripling the result for 2020 and recording growth of 55% even compared with the same period of 2019.

Profit for the period was positive for 7.1 million euro, a clear improvement compared with the previous year (-0.5 million euro).

At June 30, 2021 the net financial position was negative for 24.1 million euro, net of dividends of 3.5 million euro paid in the second quarter. During the half year, cash generation before dividends was negative for 0.9 million euro, more than explained by the increase in net working capital (+6.7 million euro compared with December 31, 2020) attributable to the growth in turnover and to the seasonal nature of the business.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There are no significant events to report.

OUTLOOK

The company expects revenue in the second half of 2021 to be in line with the same period last year, when the Group reacted positively to the impact of the pandemic in the first half of 2020. In terms of margins, the upward trend in raw material prices will lead to an increase in cost of sales, which the company expects to offset with the price increases already made during the first half of the year.

Other Companies

The caption "Other companies" of the Italmobiliare Group includes Clessidra Holding S.p.A. and its subsidiaries, a number of real estate companies, some service companies that operate essentially within the Group and a bank in the Principality of Monaco. The segment is of marginal importance to the Italmobiliare Group.

At June 30, 2021, total revenue and income amounted to 9.2 million euro, up 0.5 million euro compared with the same period of 2020, with a gross operating profit of -0.3 million euro (1.6 million euro at June 30, 2020).

After amortisation and depreciation of 0.7 million euro, financial items of -0.6 million euro and positive taxes of 0.1 million euro, the result for the half year was a loss of 1.4 million euro (+0.7 million euro in the first half of 2020).

At June 30, 2021 there were 75 employees working in this sector compared with 63 at the end of 2020.

CLESSIDRA GROUP

The breakdown of the main income statement items of the Clessidra Group relating to the first half of 2021 is shown below, compared with the income statement of Clessidra SGR at June 30, 2020:

(in millions of euro)	H1 2021	H1 2020	Change %
Interest margin	0.3	-	-
Commission income	6.4	6.7	(4.5)
Income (expense) from financial assets	(0.1)	(0.1)	-
Brokerage margin	6.6	6.6	-
Administrative expense	(10.6)	(8.6)	(23.3)
Other operating income and charges	2.8	3.8	(26.3)
Operating profit	(1.2)	1.8	> 100
Income tax	0.3	(0.4)	> 100
Profit (loss) for the period	(0.9)	1.4	> 100

(in millions of euro)	June 30, 2021	December 31, 2020
Total equity	27.0	23.5

In the strategic view of a parallel and autonomous growth of the "private equity" business unit and the "credit" business unit, Clessidra has positively assessed the opportunity to rationalise its structure by providing for the separation of these two business units, through the division of managers based on the type of asset under management, and the creation of an "investment platform" in the form of a financial group ("Clessidra Group").

During the first half of 2021, the 100% stake in Clessidra SGR was transferred to Clessidra Holding (parent company of the Clessidra Group) to be subsequently spun-off. In particular, the Private Equity business was split from the Capital Credit business.

The separation of the two lines of business took place through a demerger of Clessidra SGR, which will continue to carry on its activities related to the management and investment of private equity funds ("Clessidra Private Equity SGR"), and at the same time setting up a new asset management company with a focus on the credit sector ("Clessidra Capital Credit SGR"), as the beneficiary of the spin-off.

As a result, these two different companies are currently held 100% by Clessidra Holding, following completion of the transfer and the demerger described above.

The reorganisation project also envisaged an acquisition - finalised at the end of last year - of a financial intermediary (i.e. CoEFI), initially by Clessidra SGR and, then, by the Holding Company by transferring the 100% stake in Clessidra Factoring S.p.A. (formerly CoEFI) from Clessidra SGR to the Holding Company.

These transactions led to the creation of a new financial group in which Clessidra Holding took on the status of group holding company with consequent application of the consolidated prudential and supervisory regulations to the financial group.

This whole process was completed on April 14, 2021.

The Group's brokerage margin was positive for 6.6 million euro (6.6 million euro at June 30, 2020) and is essentially represented by the management fees of the Clessidra funds and by the fees deriving from the factoring business.

Administrative expenses for the year amount to 10.6 million euro (8.6 million at June 30, 2020) and are mainly related to personnel expense of 4.8 million euro and to consulting and operating expenses.

After the positive balance of other operating income and charges of 2.8 million euro (3.8 million euro in the first half of 2020) and income taxes of 0.3 million euro, the half year ended with a negative result of 0.9 million euro.

TRANSACTIONS WITH RELATED PARTIES

For the purposes of the Group's consolidated financial statements, transactions with related parties were with:

- associates and their subsidiaries;
- other related parties.

All transactions with related parties, related to the exchange of goods and services or with financial nature, are conducted at normal market conditions and in compliance with the Code of Conduct.

Summary figures at June 30, 2020 for transactions with related parties are provided in the notes.

No atypical or unusual transactions as defined by Consob Communication no. DEM/6064293 of July 28, 2006 took place during the period.

Transactions with subsidiaries, associates and their subsidiaries

Transactions with subsidiaries, associates and their non-consolidated subsidiaries have commercial nature (exchange of goods and/or services) or financial nature.

The parent company Italmobiliare S.p.A. also provides administrative services to certain subsidiaries, which are billed at cost.

Transactions with other related parties

During the half year under review, transactions with other related parties concerned:

- a provision of 55 thousand euro for invoices to be received from the Gattai, Minoli, Agostinelli & Partners law firm, of which the Italmobiliare director Luca Minoli is a member, for legal advice and assistance in and out of court provided to the Italmobiliare Group;
- payment of insurance premiums to Zurich Investments Life, of which the Italmobiliare director Mirja Cartia d'Asero is a director, for a fee of approximately 5 thousand euro;
- a donation of 250,000 euro and charge back of costs for staff on secondment for 26 thousand euro to the "Fondazione Cav. Lav. Carlo Pesenti", whose Board of Directors is chaired by Carlo Pesenti;
- a contribution of 19 thousand euro to ISPI (Istituto per gli Studi di Politica Internazionale), where Carlo Pesenti is a director;
- compensation for the work performed as an employee by Giampiero Pesenti, son of Carlo Pesenti, paid by Italmobiliare and Officina Profumo-Farmaceutica di Santa Maria Novella for a total of 69 thousand euro;
- consultancy activities performed by Roberto Pesenti, son of Carlo Pesenti, at the subsidiary Franco Tosi Ventures for a total of 6 thousand euro.
- compensation for the work performed as an employee by Roberto Pesenti, son of Carlo Pesenti, paid by Italmobiliare for a total of 27 thousand euro.

LEGAL AND TAX DISPUTES

As explained in previous financial reports, following the completion of various M&A transactions in recent years, the Company - as the seller - is subject to compensation claims, notified by the respective purchasing parties, for alleged violations of the declarations and guarantees given by the seller and/or non-fulfilment of obligations placed on it by the related contractual documentation. In this regard, no events took place during the period that might entail substantial changes in the risk provisions made in the last annual financial report.

Please refer to the paragraph on Sirap for an explanation of the latest developments in the dispute with the European Commission, already amply illustrated in previous reports on operations.

On March 18, 2021, the Company received a notice of assessment from the Provincial Tax Authority of Milan regarding controlled foreign companies (CFC) for 2015. The only comment concerns the status of Crédit Mobilier de Monaco as a "CFC black list" company, as took place in previous years. The amount of taxable income assessed came to approximately 0.4 million euro, which would be subject to separate taxation of 27.5%.

The Company filed an appeal with the Milan Provincial Tax Commission.

With sentence no. 2929 of June 23, 2021, the Commission accepted the Company's appeal regarding Controlled Foreign Companies in 2014.

COMPLIANCE WITH THE CONDITIONS FOR LISTING LAID OUT IN THE CONSOB MARKET REGULATION

With reference to the *Conditions for the listing of certain companies*, laid down in art. 15 et seq. of the Market Regulation adopted by CONSOB with Resolution no. 20249 of December 28, 2017, on the basis of the Audit Plan, no subsidiary based in a non-European Union country is included in the scope of materiality.

COMPLIANCE WITH SIMPLIFIED RULES PURSUANT TO ARTS. 70 AND 71 OF THE ISSUERS REGULATION

Italmobiliare S.p.A. has adopted the opt-out regime envisaged by the Consob Issuers Regulation, exercising the right to waive the obligations to publish disclosure documents required in connection with significant merger and demerger transactions, acquisitions, sales or share capital increases by contributions in kind.

In compliance with this regime, Italmobiliare S.p.A. provided appropriate disclosures to the market.

* * *

Information on “Events after the reporting date” is provided in the notes.

Outlook

The world economic cycle closed the first half of the year on a solid growth path: compared with +4% in the first quarter, real GDP in the second quarter can be estimated at around +12% year-on-year. While benefiting from the statistical comparison with 2020, the expansion recorded in the two quarters of 2021 and the current indicators are consistent with an expected final growth figure close to 6% in 2021 and 4.5% in 2022. The growth path of the global economy is expected to rise above the pre-Covid trend starting from the third quarter, driven by the increase in the growth of capital investment. The expansion of the manufacturing sector showed a moderate decline in June, but remains on the highest expansion trend of the last ten years, with 80% of countries participating in this growth, while the service sector's indicators in June stood at their highest level since 2007, beating the manufacturing indicators for the third month running. The world cycle is being driven by the United States. For the first time in over twenty years it is not China that is bolstering the economy, with a final change in GDP for the current year likely to be above 6.5%. Average Eurozone growth is estimated at 4.8% in 2021, whereas in 2022 it should converge at 4.5%, levels also expected in the USA. The expected change in Italian GDP recorded an increase during the second quarter, with averages close to 5% in 2021, while it is slightly below the Eurozone average in 2022. Inflationary dynamics are on the rise, particularly in the United States, stemming in part from contingent factors that constrain supply, the friction between labour supply and demand deriving from the reopening of economic activity and the increase in the price of raw materials. The increase in labour productivity and the persistence of structural deflationary factors (the impact of technology, demographics, debt) support the view that price increases should be transitory, a view that is also shared by the US central bank and by financial market valuations. However, uncertainty about the risk of higher inflation remains along with the possibility of further expansion of US fiscal policy compared with other developed countries, which would close the output gap of the US economy faster than before. Financial instability deriving from the perception of a

possible longer-lasting acceleration in prices and the effects of the Delta variant of the virus are the main sources of uncertainty affecting the scenario.

In a context that, despite the robust economic recovery currently under way, is still characterised by uncertainty, Italmobiliare further intensified its support for the portfolio companies so that they can fully seize the opportunities offered by the huge stimulus initiatives activated by the principal national and international institutions and by emerging economic, technological and consumer trends which the pandemic experience has accelerated considerably. Italmobiliare's strategy, which is increasingly characterised by the integration of ESG best practices in the development plans of its portfolio companies is very consistent with the focus on the European Union and, more in general, by the main world economies on the ecological and energy transition of business activities.

The implementation of measures aimed at guaranteeing operational excellence, financial flexibility and effective risk management continues at all Group companies, while at the same time innovative marketing solutions are being explored, the transition to a pervasive use of digital commercial channels is being optimised and work continues on attracting talents and strengthening management teams through qualified skills.

As part of the investments made through participation in alternative investment funds, a broad diversification was achieved thanks to a portfolio that provides strategic access to key geographical areas, particularly in Europe and the USA, which is proving to be the main engine of global economic growth, and to various asset classes, from Private Equity to Venture & Growth Capital, with performances that have contributed significantly to the growth in NAV. Full support is being given to the process of reorganizing and diversifying Clessidra, a multi-asset and multi-business platform capable of intercepting the different needs of investors interested in the Italian market; at the same time it is capable of responding to the financial needs of a dynamic entrepreneurial fabric (even if greatly stressed after more than a year of pandemic) through dedicated Private Equity instruments (where Italmobiliare continues to be anchor investor also in the CCP4 fund, which reached the threshold of 270 million euro at the first closing and is still in the collection phase), Private Debt and Factoring.

Milan, July 29, 2021

**for the Board of Directors
the Chief Executive Officer
(Carlo Pesenti)**

ITALMOBILIARE

INVESTMENT HOLDING

ANNEX 1

ANNEX 1

The Net Asset Value (NAV) of Italmobiliare S.p.A., as a non-GAAP financial measure, is defined as the fair value of financial assets and property investments, net of financial liabilities and the tax effect.

	Notes	30.06.2021	31.12.2020	Changes
Listed equity investments	A	69	84	(15)
Portfolio Companies	B	1,253	1,126	127
Other equity investments	C	135	63	72
Private equity funds	D	166	129	37
Properties and related assets	E	51	49	1
Financial assets, trading, cash and cash equivalents	F	327	387	(60)
Total		2,000	1,838	162

The following is a reconciliation between the balances included in the NAV and the statement of financial position of Italmobiliare S.p.A. included in the Italmobiliare Group's condensed interim consolidated financial statements as at June 30, 2021:

(in millions of euro)	Notes	30.06.2021	31.12.2020	Changes
Listed equity investments as per NAV	A	69	84	(15)
Other equity investments				
HeidelbergCement		69	84	(15)
Total amounts as per statement of financial position	G	69	84	(15)
Difference	G-A	0	0	0

(in millions of euro)	Notes	30.06.2021	31.12.2020	Changes
Portfolio Companies as per NAV	B	1,253	1,126	127
Equity investments in subsidiaries and associates				
Clessidra SGR		0	22	(22)
Tecnica Group		43	43	(0)
Italgen Group		20	20	(0)
Sirap Gema Group		68	68	0
Caffè Borbone		144	144	(0)
ISEO		43	43	(0)
Autogas		60	60	(0)
CAPITELLI F.LLI		14	14	0
FT2 S.r.l. - Officina SMN		162	162	0
FT3 S.r.l. - Callmewine		13	13	0
BEA		24	24	0
Clessidra Holding		27	1	26
Total amounts as per statement of financial position	H	619	614	5
Difference	H-B	634	512	122

The difference relates to the fact that in the statement of financial position of Italmobiliare S.p.A. the investments are measured at cost, whereas in the NAV they are valued at fair value.

(in millions of euro)	Notes	30.06.2021	31.12.2020	Changes
Other equity investments as per NAV	C	135	63	72
Other equity investments				
Vontobel		8	8	0
Unicredit		2	2	0
Cairo Communication		0	0	0
Coima Res		3	3	(0)
Piaggio & C		1	0	0
Fin.Priv. - Az. Mediobanca		20	16	5
035 Investimenti		0	0	(0)
Sesaab		1	1	0
Compagnia Fiduciaria		1	1	(0)
Bacco		44	0	44
Atmos Venture		0	0	0
New Flour		4	4	0
KKR TEEMO CO-INVEST L.P.		11	0	11
Totale	I	95	35	59
Equity investments in subsidiaries and associates	-	-	-	-
Credit Mobilier de Monaco		6	5	1
Dokime		2	2	0
SES		7	6	0
Florence InvestCo		16	14	3
Farmagorà Holding		3	0	3
Franco Tosi Ventures		0	0	0
CCC Holding		5	5	(0)
Total	L	38	33	6
Total amounts as per statement of financial position	I+L	133	68	65
Difference	(I+L)-C	1	(5)	7

The difference relates to the fact that in the statement of financial position of Italmobiliare S.p.A. the investment in Crédit Mobilier is valued at cost, whereas in the NAV it is shown at fair value.

The difference at 31.12.2020 relates to the fact that the investments in Dokimè, Atmos e New Flour were classified among the "Private Equity Funds" as per NAV (note D).

(in millions of euro)	Notes	30.06.2021	31.12.2020	Changes
Private equity funds as per NAV	D	166	129	37
Bonds and mutual funds				
Clessidra (funds)		66	50	16
BDT 2		60	48	11
BDT 3		5	3	2
Isomer		9	7	2
Isomer opportunities		0	0	0
ICONIQ		18	11	6
ICONIQ V		8	3	5
LINDSAY		0	0	0
LAUXERA		1	0	1
Connect Ventures		1	0	0
Total	M	166	123	28
Total amounts as per statement of financial position	M	166	123	28
Difference	M-D	0	(6)	(10)

The difference at 31.12.2020 relates to the fact that the investments in Dokimè, Atmos e New Flour were classified among "Other equity investments" as per NAV (note C).

(in millions of euro)	Notes	30.06.2021	31.12.2020	Changes
Properties and related assets as per NAV	E	51	49	1
of which properties		45	45	0
of which subsidiaries		5	4	1
Property, plant and equipment of Italmobiliare S.p.A.				
Property - Via Borgonuovo, Milan		6	5	1
Total	N	6	5	1
Investment property of Italmobiliare S.p.A.				
Property - Via Sallustiana, Rome		8	8	(0)
Total	O	8	8	(0)
Land and buildings (ITM Servizi)				
Property - Via S. Bernardino Bergamo (ITM Servizi)		2	2	(0)
Property - Bergamo Ice Palace + former area of Gres		4	4	(0)
Total		6	6	(0)
Equity investments in subsidiaries and associates (which own properties)				
Punta Ala		2	2	0
Sepac		0	0	0
ITM Servizi*		12	11	1
Total	P	14	13	1
Total amounts as per statement of financial position	(N+O+P)	28	26	2
Difference	(N+O+P) - E	22	23	(1)

The difference relates for approximately Euro 22 million to the fact that in the statement of financial position of Italmobiliare S.p.A. properties are valued at cost, whereas in the NAV they are shown at fair value (i.e. the subsidiaries that own the buildings).

(in millions of euro)	Notes	30.06.2021	31.12.2020	Changes
Financial assets, trading, cash and cash equivalents as per NAV	F	327	387	(60)
Cash and cash equivalents		24	55	(30)
FV of derivatives receivable		1	1	0
Other current assets (1)		292	312	(20)
Non-current financial assets (2)		17	27	(10)
Total cash and cash equivalents		334	394	(60)
Current loans and borrowings		(0)	(0)	(0)
Current financial liabilities		(6)	(7)	1
Current options on securities		(1)	(1)	(0)
Non-current lease payables (3)		(0)	(0)	0
Total financial position		(7)	(7)	0
Total net financial position	Q	327	387	(60)
Difference	Q-F	(0)	0	(0)

(1) this item also includes mutual investment funds, intercompany current accounts, accrued interest and commission income on loans and mutual funds.

(2) this item includes bonds, medium/long-term loans and CASHES (Unicredit convertible bonds).

(3) this item includes intercompany receivables/payables and short-term payables for lease contracts.

Reconciliation of the captions included in the statement of financial position of Italmobiliare S.p.A.

(in millions of euro)	Notes	30.06.2021	31.12.2020	Changes
Equity investments in subsidiaries and associates				
Amount as per statement of financial position of ITM S.p.A.		671	660	11
Amount from reconciliation	H+L+P	671	660	12
Difference		(0)	0	(0)

(in millions of euro)	Notes	30.06.2021	31.12.2020	Changes
Other equity investments				
Amount as per statement of financial position of ITM S.p.A.		164	120	44
Amount from reconciliation	G+I	164	119	44
Difference		0	0	0

(in millions of euro)	Notes	30.06.2021	31.12.2020	Changes
Other non-current assets				
Amount as per statement of financial position of ITM S.p.A.		187	156	31
Amount from reconciliation	M	166	123	44
Difference		20	33	(13)
Bond loans	Included in NFP	9	9	0
CASHES	Included in NFP	3	3	(0)
Difference		12	12	(0)
Receivables to subsidiaries	Included in NFP	6	15	(10)
Other current assets	Not included in NFP	2	2	0
Guarantee deposits	Not included in NFP	0	0	0
Tax consolidation receivables from subsidiaries	Not included in NFP	1	4	(3)
Difference		0	0	(0)

(in millions of euro)	Notes	30.06.2021	31.12.2020	Changes
Property, plant and equipment				
Amount as per statement of financial position of ITM S.p.A.		7	7	0
Amount from reconciliation	N	6	5	1
Difference		1	2	(1)

The difference is due to the fact that the caption in the statement of financial situation of Italmobiliare S.p.A. also includes investments in plant and machinery for Euro 0.6 million and the impact of the IFRS 16 for Euro 0.4 million.

(in millions of euro)	Notes	30.06.2021	31.12.2020	Changes
Investment property				
Amount as per statement of financial position of ITM S.p.A.		8	8	(0)
Amount from reconciliation	O	8	8	(0)
Difference		0	0	0

(in millions of euro)	Notes	30.06.2021	31.12.2020	Changes
NFP				
Amount as per statement of financial position of ITM S.p.A.		327	387	(60)
Amount from reconciliation	Q	327	387	(60)
Difference		0	0	0

RECONCILIATION OF THE CAPTIONS INCLUDED IN THE STATEMENT OF FINANCIAL POSITION OF ITALMOBILIARE S.P.A.

(in millions of euro)	Notes	30.06.2021	30.06.2020	Changes
Gross operating profit (EBITDA) as per report	A	80.1	15.6	64.6
Revenue and income		232.7	155.6	77.1
Other revenue and income		3.3	2.7	0.6
Change in inventories		2.6	0.5	2.1
Internally produced and capitalised assets		0.1	0.1	0.0
Raw materials and supplies		(72.8)	(52.9)	(19.9)
Services		(43.6)	(26.6)	(17.0)
Employee benefits expenses		(33.0)	(24.1)	(8.9)
Other operating income (expense)		(9.2)	(39.8)	30.6
Total amounts as per statement of financial position	B	80.1	15.6	64.6
Difference	A-B	0.0	0.0	0.0
(in millions of euro)	Notes	30.06.2021	30.06.2020	Changes
Operating profit (EBIT) as per report	C	69.1	7.9	61.2
Revenue and income		232.7	155.6	77.1
Other revenue and income		3.3	2.7	0.6
Change in inventories		2.6	0.5	2.1
Internally produced and capitalised assets		0.1	0.1	0.0
Raw materials and supplies		(72.8)	(52.9)	(19.9)
Services		(43.6)	(26.6)	(17.0)
Employee benefits expenses		(33.0)	(24.1)	(8.9)
Other operating income (expense)		(9.2)	(39.8)	30.6
Amortization and depreciation		(11.0)	(7.6)	(3.4)
Impairment losses on non-current assets		0.0	0.0	0.0
Total amounts as per statement of financial position	D	69.1	7.9	61.2
Difference	C-D	0.0	(0.0)	0.0
(in millions of euro)	Financial statement class	30.06.2021	31.12.2020	Changes
Net financial position as per report	E	354.5	320.8	33.7
Caption				
Cash and cash equivalents	Cash and cash equivalents	88.3	123.1	(34.8)
Short-term derivatives	Other current assets including derivative financial instruments	0.5	0.5	0.0
Equity investments measured at FVTPL	Equity investments, bonds and current financial receivables	20.2	21.2	(1.1)
Financial assets at amortised cost	Equity investments, bonds and current financial receivables	0.0	1.5	(1.5)
Funds and other financial instruments	Equity investments, bonds and current financial receivables	326.2	285.6	40.7
Other receivables	Equity investments, bonds and current financial receivables	12.9	15.9	(3.0)
Other loan assets and financial instruments	Other current assets including derivative financial instruments	9.6	8.6	0.9
Prepaid expenses	Other current assets including derivative financial instruments	0.0	0.1	(0.1)
Total current assets		457.7	456.5	1.2
Loans and borrowings	Loans and borrowings	(26.6)	(10.9)	(15.7)
Financial liabilities	Financial liabilities	(46.5)	(46.9)	0.4
Due to financial and private equity companies	Other liabilities	(9.3)	(9.5)	0.2
Derivatives	Other liabilities	(0.9)	(0.6)	(0.4)
Total current liabilities		(83.3)	(67.9)	(15.4)
Loans and borrowings	Trade receivables and other non-current assets	20.2	20.8	(0.7)
Financial liabilities	Trade receivables and other non-current assets	0.0	2.0	(2.0)
Financial assets at amortised cost	Trade receivables and other non-current assets	9.6	9.0	0.6
Financial assets at FVTPL in NFP	Trade receivables and other non-current assets	2.8	3.3	(0.5)
Total non-current assets		32.5	35.2	(2.6)
Financial liabilities	Financial liabilities	(52.6)	(83.1)	30.4
Derivatives payable on loans	Other non-current payables and liabilities	(0.0)	(0.1)	0.1
Total non-current liabilities		(52.6)	(83.2)	30.5
Financial assets held for sale	Financial assets held for sale		2.5	(2.5)
Liabilities directly associated with assets classified as held for sale	Liabilities directly associated with assets classified as held for sale	0.0	(22.3)	22.3
Net financial position relating to discontinued operations		0.0	(19.8)	19.8
Total net financial position	F	354.5	320.8	13.6
Difference	E-F	0.0	(0.0)	0.1



ITALMOBILIARE
INVESTMENT HOLDING

CONDENSED
CONSOLIDATED
INTERIM
FINANCIAL
STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Statement of financial position

(in thousands of euro)	Notes	30.06.2021	31.12.2020	Changes
Non-current assets				
Property, plant & equipment	1	166,982	159,857	7,125
Investment property		5,430	7,632	(2,202)
Goodwill	2	238,802	250,723	(11,921)
Intangible assets		309,905	302,832	7,073
Investments in associates	3	194,272	183,749	10,523
Other equity investments	4	164,028	119,737	44,291
Trade receivables and other non-current assets	5	191,877	161,404	30,473
Deferred tax assets	6	16,832	18,177	(1,345)
Non-current receivables from employees			612	(612)
Total non-current assets		1,288,128	1,204,723	83,405
Current assets				
Inventories		39,982	48,057	(8,075)
Trade receivables	7	92,908	76,892	16,016
Other current assets including derivative financial instruments		28,713	19,461	9,252
Tax assets		8,638	17,125	(8,487)
Equity investments, bonds and current financial receivables	8	362,266	324,174	38,092
Cash and cash equivalents	9	88,295	123,066	(34,771)
Total current assets		620,802	608,775	12,027
Assets classified as held for sale		7	131,531	(131,524)
Total assets		1,908,937	1,945,029	(36,092)
Equity				
Share capital	10	100,167	100,167	
Share premium		55,607	55,607	
Reserves	11	19,481	(6,495)	25,976
Treasury shares	12	(5,166)	(6,620)	1,454
Retained earnings	11	1,243,716	1,187,705	56,011
Equity attributable to owners of the parent company		1,413,805	1,330,364	83,441
Non-controlling interests	13	150,840	193,766	(42,926)
Total equity		1,564,645	1,524,130	40,515
Non-current liabilities				
Financial liabilities	15	52,573	83,050	(30,477)
Employee benefits		11,041	12,007	(966)
Provisions	14	26,947	64,175	(37,228)
Non-current tax liabilities		9,977	13,733	(3,756)
Other non-current liabilities		6,258	597	5,661
Deferred tax liabilities	6	8,103	4,004	4,099
Total non-current liabilities		114,899	177,566	(62,667)
Current liabilities				
Loans and borrowings	15	26,602	10,937	15,665
Financial liabilities	15	37,211	46,907	(9,696)
Trade payables	16	57,206	51,497	5,709
Provisions	14	1,677	1,608	69
Tax liabilities		15,652	16,722	(1,070)
Other liabilities	17	90,955	55,560	35,395
Total current liabilities		229,303	183,231	46,072
Total liabilities		344,202	360,797	(16,595)
Liabilities directly associated with assets classified as held for sale		90	60,102	(60,012)
Total equity and liabilities		1,908,937	1,945,029	(36,092)

Income statement

(in thousands of euro)	Notes	H1 2021	%	H1 2020 IFRS 5	%	Change	%
Revenue		188,924		125,016		63,908	
Gains on disposal		3,637		9,933		(6,296)	
Other income		40,139		20,612		19,527	
Total revenue and income	18	232,700	100.0	155,561	100.0	77,139	49.6
Other revenue and income		3,314		2,739		575	
Changes in inventories		2,591		514		2,077	
Internally produced and capitalised assets		79		63		16	
Raw materials and supplies	19	(72,804)		(52,856)		(19,948)	
Services	20	(43,600)		(26,614)		(16,986)	
Personnel expenses	21	(32,955)		(24,060)		(8,895)	
Other operating income (expenses)	22	(9,186)		(39,777)		30,591	
Gross operating profit (EBITDA)		80,139	34.4	15,570	10.0	64,569	>100
Amortization and depreciation		(11,002)		(7,630)		(3,372)	
Impairment losses on non-current assets						-	
Operating profit (EBIT)		69,137	29.7	7,940	5.1	61,197	>100
Finance income	23	89		55		34	
Finance costs	23	(1,452)		(913)		(539)	
Exchange-rate difference and net gains (losses) on derivatives	23	156		(47)		203	
Impairment of financial assets				(798)		798	
Share of profit/(loss) of equity-accounted associates	3	8,558		(4,743)		13,301	
Profit/(loss) before tax		76,488	32.9	1,494	1.0	74,994	>100
Income tax	24	(24,951)		(2,657)		(22,294)	
Profit/(loss) from continuing operations		51,537	22.1	(1,163)	-0.7	52,700	>100
Profit/(loss) from discontinued operations, net of tax		65,879		2,548		63,331	
Profit/(loss) for the period		117,416	50.5	1,385	0.9	116,031	>100
Attributable to:							
Owners of the parent company		107,092	46.0	(8,148)	-5.2	115,240	>100
Non-controlling interests		10,324	4.5	9,533	6.1	791	8.3
Earnings per share	26						
Basic ordinary shares		2.533 €		(0.193) €			
Diluted ordinary shares		n.a.		(0.193) €			

Statement of comprehensive income

(in thousands of euro)	Notes	H1 2021	%	H1 2020 IFRS 5	%	Change	%
Profit/(loss) for the period		117,416	50.5	1,385	0.9	116,031	> 100
Other comprehensive income (expense) from continuing operations	25						
Items that will not be reclassified subsequently to profit or loss							
Remeasurement of net defined benefit liability		106				106	
Remeasurement of net defined benefit liability/(asset) - investments in equity accounted investees							
Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI		17,031		(54,380)		71,411	
Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI - share of other comprehensive income of associates							
Income tax		(40)		89		(129)	
Total items that will not be reclassified to profit or loss		17,097		(54,291)		71,388	
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation reserve		(64)		(2)		(62)	
Foreign exchange differences on translation of foreign operations - investments in equity-accounted investees		452		(41)		493	
Fair value gain/(loss) arising on hedging derivatives		66		(123)		189	
Fair value gain/(loss) on cash flow hedging derivatives - equity-accounted investees		(603)		(170)		(433)	
Income tax				5		(5)	
Total items that may be reclassified subsequently to profit or loss		(149)		(331)		182	
Total other comprehensive income for the period from continuing operations		(149)		(331)		182	
Total other comprehensive income for the period from discontinued operations, net of tax		4,233		(2,170)		6,403	
Total other comprehensive income for the period		21,181		(56,792)		77,973	
Total comprehensive income for the period		138,597	59.6	(55,407)	-35.6	194,004	> 100
Attributable to:							
owners of the parent company		128,275		(64,934)		193,209	
non-controlling interests		10,322		9,527		795	

Consolidated statement of changes in equity

(in thousands of euro)	Attributable to owners of the parent company										Non-controlling interests	Total equity
	Reserves										Total share capital and reserves	
	Share capital	Share premium	FVTOCI fair value reserve	Hedging reserve	Actuarial gains/ losses on defined benefit plans	Other reserves	Treasury shares	Translation reserve	Retained earnings			
Balances at December 31, 2019	100,167	55,607	-262	-106	-607	2,211	-12,154	-4,426	1,218,299	1,358,729	115,467	1,474,196
Profit/(loss) for the period									-10,696	-10,696	9,533	-1,163
Total other comprehensive income (expense) from continuing operations			-54,291	-282				-43		-54,616	-6	-54,622
Total other comprehensive income from discontinued operations, net of tax								-2,170	2,548	378		378
Total comprehensive income for the period			-54,291	-282				-2,213	-8,148	-64,934	9,527	-55,407
Dividends paid									-75,999	-75,999		-75,999
Purchase of treasury shares							5,534		-2,231	3,303		3,303
% change in control and consolidation area and reclassifications			6,519			34		-1,276	-1,505	3,772	-1,609	2,163
Balances at June 30, 2020	100,167	55,607	-48,034	-388	-607	2,245	-6,620	-7,915	1,130,416	1,224,871	123,385	1,348,256
Profit/(loss) for the period									71,307	71,307	25,626	96,933
Total other comprehensive income (expense) from continuing operations			24,646	1,401	-345			4,962		30,664	186	30,850
Total other comprehensive income from discontinued operations, net of tax								-2,721	5,156	2,435		2,435
Total comprehensive income for the period			24,646	1,401	-345			2,241	76,463	104,406	25,812	130,218
Dividends paid											-8,000	-8,000
Other			15,286	-2	-186	-511		76	-13,576	1,087	52,569	53,656
Balances at December 31, 2020	100,167	55,607	-8,102	1,011	-1,138	1,734	-6,620	-5,598	1,193,303	1,330,364	193,766	1,524,130
Profit/(loss) for the period									41,213	41,213	10,324	51,537
Total other comprehensive income (expense) from continuing operations			16,991	-537	101			395		16,950	-2	16,948
Total other comprehensive income from discontinued operations, net of tax								4,233	65,879	70,112		70,112
Total comprehensive income for the period			16,991	-537	101			4,628	107,092	128,275	10,322	138,597
Dividends paid									-27,484	-27,484	-12,400	-39,884
Purchase of treasury shares							1,454		-611	843		843
% change in control and consolidation area and reclassifications			1,778		147	7,496		209	-27,823	-18,193	-40,848	-59,041
Balances at June 30, 2021	100,167	55,607	10,667	474	-890	9,230	-5,166	-761	1,244,477	1,413,805	150,840	1,564,645

Statement of cash flows

(in thousands of euro)	Notes	H1 2021	H1 2020 IFRS 5
A) Cash flows from operating activities:			
Profit/(loss) before tax		76,488	1,494
Adjustments for:			
Amortization and depreciation		11,006	8,356
Reversal of share of profit/(loss) of equity-accounted associates		(8,558)	4,843
(Gain)/loss on non-current assets		(1,833)	(1,155)
Change in employee benefits and other provisions		(36,724)	242
Stock options			
Reversal of net finance costs and income		(4,131)	(4,493)
Cash flows from operating activities before tax, finance income/costs, working capital		36,248	9,287
Change in working capital:			
Inventories		(962)	(4,305)
Trade receivables		(18,937)	(3,323)
Trade payables		5,067	(1,312)
Other receivables/liabilities, accruals and deferrals		(11,561)	6,027
Change in working capital		(26,393)	(2,913)
Cash flows from operating activities before tax and finance income/costs		9,855	6,374
Net finance costs paid		610	(56)
Dividends received		3,040	2,344
Income tax paid		(11,233)	(6,688)
Exit from derivatives			(165)
Total A)		2,272	1,809
Cash flow from operating activities relating to discontinued operations		(722)	8,876
Total		1,550	10,685
B) Cash flows from investing activities:			
Capital expenditure:			
Property, plant, equipment and investment property		(17,608)	(9,432)
Intangible assets		(3,410)	(225)
Financial assets (equity investments and funds) net of cash acquisitions (*)		(84,657)	(54,349)
Cash and cash equivalents of acquired and consolidated companies			
Total capital expenditure		(105,675)	(64,006)
Proceeds from disposal of non-current assets		176,483	48,547
Disposal of discontinued operations			
Total disposals		176,483	48,547
Total B)		70,808	(15,459)
Cash flow from investing activities relating to discontinued operations		(3,060)	
Total		67,748	(15,459)
C) Cash flows from financing activities:			
Change in financial payables		(36,052)	(7,295)
Change in financial assets		(34,364)	(8,107)
Change in current equity investments		1,068	203
Purchase of treasury shares		1,454	
Percentage change in interests in consolidated companies			
Increases in capital shares			
Dividends paid		(39,884)	(75,999)
Third-party contributions (Capitelli/Caffè Borbone non-controlling interests)			
Other changes		(1,274)	(2,146)
Total C)		(109,052)	(93,344)
Cash flow from financing activities relating to discontinued operations			(1,393)
Total		(109,052)	(94,737)
D) Translation differences and other changes			
Translation differences and other changes		4,961	(847)
Total D)		4,961	(847)
Translation differences and other changes relating to assets classified as held for sale		22	204
Total		4,983	(643)
E) Cash flows for the period (A+B+C+D)		(31,011)	(107,841)
F) Cash and cash equivalents at the beginning of the period		123,066	248,112
Change and cash and cash equivalents relating to assets held for sale		(3,760)	7,687
Cash and cash equivalents at the end of the period (E+F)	13	88,295	147,958
cash and cash equivalents of assets classified as held for sale at the end of the period		22	204
cash and cash equivalents of continuing operations at the end of the period	13	88,273	147,754

Main changes of cash flows coming from investing activities are discussed in the relevant section of the notes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Italmobiliare S.p.A.'s condensed consolidated interim financial statements at June 30, 2021 were approved by the Board of Directors on July 29, 2021 which also authorised the publication of a press release dated July 29, 2021 containing the main elements of the abovementioned consolidated interim financial statements' key information.

Expression of compliance with IFRS

The condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable from January 1, 2021 as adopted by the European Union and, in particular, they have been prepared in accordance with IAS 34 - Interim Financial Reporting.

The condensed consolidated interim financial statements do not contain all of the information and notes usually contained in annual financial statements, so they have to be read in conjunction with the consolidated financial statements of Italmobiliare S.p.A. at December 31, 2020.

In compliance with European Regulation no. 1606 of July 19, 2002, the policies adopted do not include the standards and interpretations published by the IASB and the IFRIC at June 30, 2021 but not yet endorsed by the European Union as of that date.

The following accounting standards, amendments and IFRS interpretations were applied for the first time by the Group starting from January 1, 2021:

- On May 28, 2020 the IASB published the amendment called "Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)". The amendments allow insurance companies to extend the temporary exemption from application of IFRS 9 until January 1, 2023.
- In light of the reform of interbank interest rates such as the IBOR, on August 27, 2020, the IASB published its "Interest Rate Benchmark Reform – Phase 2", which contains amendments to the following standards:
 - IFRS 9 Financial Instruments;
 - IAS 39 Financial Instruments: Recognition and Measurement;
 - IFRS 7 Financial Instruments: Disclosures;
 - IFRS 4 Insurance Contracts; and
 - IFRS 16 Leases.

The changes include the following practical expedients:

- A practical expedient that allows the company to consider contractual changes, or changes in cash flows that are directly required by the reform, to be treated as changes in a floating interest rate, equivalent to a movement in a market interest rate;
- Allow the changes required by the IBOR reform to be made within the hedging designation and hedging documentation without the hedging relationship having to be discontinued;

- Provides temporary relief for entities from having to comply with separate identification requirements when an RFR is designated as hedging a risk component.

Application of these standards did not have significant impacts on the Group.

STANDARDS AND INTERPRETATIONS PUBLISHED BY THE IASB AND THE IFRIC AT JUNE 30, 2021, BUT NOT ENDORSED BY THE EUROPEAN UNION AT THAT DATE

At the date of these financial statements the competent bodies of the European Union have not yet completed the approval process necessary for the adoption of the amendments and principles described below.

- On May 18, 2017, the IASB published IFRS 17 - Insurance Contracts which is intended to replace IFRS 4 - Insurance Contracts. The objective of the new standard is to ensure that an entity provides relevant information that faithfully represents the rights and obligations deriving from insurance contracts. The new standard measures an insurance contract based on a General Model, or a simplified version of it called the Premium Allocation Approach ("PAA").
- The entity shall apply the new standard to insurance contracts issued, including reinsurance contracts issued, to reinsurance contracts held and to investment contracts with a discretionary participation feature (DPF). The standard comes into force from January 1, 2023 but earlier application is allowed, only for entities that apply IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers.
- On January 23, 2020 the IASB published its "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current". The document aims to clarify how to classify payables and other short or long term liabilities. The changes come into force from January 1, 2023; earlier application is permitted, however.
- On May 14, 2020, the IASB published the following amendments, which come into force on January 1, 2022 called:
 - Amendments to IFRS 3 Business Combinations: the purpose of the amendments is to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without this entailing changes to the provisions of IFRS 3.
 - Amendments to IAS 16 Property, Plant and Equipment: the amendments are intended not to allow the amount received from the sale of goods produced during the test phase of a fixed asset to be deducted from its cost. Such revenues and the related costs are to be recorded in the income statement.
 - Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that all costs directly attributable to the contract must be considered when estimating whether a contract could make a loss. This means that when assessing whether a contract could make a loss, one has to include not only the incremental costs (e.g. the cost of direct materials used in processing), but also any other costs that the company cannot avoid as it has stipulated the contract (e.g. a share of the labour cost and depreciation of the machinery used to fulfil the contract).

- Annual Improvements 2018-2020: amendments have been made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.
- On February 12, 2021, the IASB published an amendment called "Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies". The changes come into force on January 1, 2023.
- On February 12, 2021, the IASB published an amendment called "Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: definition of accounting estimates". The changes come into force on January 1, 2023.
- On March 31, 2021, the IASB published an amendment called "Amendments to IFRS 16 Leases: Covid-19 related rent concessions beyond 30 June 2021". The changes come into force on April 1, 2021.
- On May 7, 2021, the IASB published an amendment called "Amendments to IAS 12 Income Taxes: Deferred tax related to assets and liabilities arising from a single transaction". The changes come into force on January 1, 2023.

The directors do not expect these standards to have a significant effect on the Group's consolidated financial statements.

Measurement criteria and basis of presentation

The consolidated financial statements adopt the cost method, with the exception of derivatives and financial assets, which are measured at fair value. The consolidated financial statements are presented in euro, the functional currency of the parent company Italmobiliare S.p.A. All amounts in the accounting schedules and in the notes are rounded to thousands of euro, unless otherwise specified.

The basis of presentation of the Group financial statements is as follows:

- current and non-current assets and current and non-current liabilities are presented as separate classifications on the statement of financial position. Current assets, which include cash and cash equivalents, are assets that the Group intends to realize, sell or consume during its normal business cycle; current liabilities are liabilities that the Group expects to settle during the normal business cycle or in the twelve months after the end of the reporting period;
- on the income statement, costs are analysed by nature;
- with regard to comprehensive income, the Group presents two statements: the first statement reflects traditional income statement components and the profit (loss) for the year, while the second statement, beginning with the profit (loss) for the year, presents other comprehensive income: fair value gain and losses on investments in equity instruments measured at FVTOCI and derivatives designated as hedge accounting, translation differences and effects of the remeasurement of defined benefit plans;
- the indirect method is used for the statement of cash flows.

SIGNIFICANT JUDGEMENTS AND USE OF ESTIMATES

The financial statements have been prepared on a going-concern basis. Despite the general economic and financial situation characterised by volatility, the Group is of the opinion that there are no real uncertainties about its going-concern status, by virtue of its financial solidity and the action already taken to respond to the changes in demand, as explained in the Directors' Report.

In preparing the consolidated financial statements, the following "significant judgements" were made when applying the Group's accounting standards.

- Presentation of the Sirap group as a discontinued operation: In January 2021, Sirap's main assets in Italy, Poland and Spain were sold to the Faerch group - a Danish company that is a leader in the food packaging sector. In April 2021 Sirap and Zeus Packaging - an Irish company active in the distribution of packaging products - completed the sale of the Petruzalek group and the German subsidiary of the Sirap group (Sirap GmbH). In 2020 the companies being sold generated approximately 82% of the Sirap group's total revenue, therefore the Sirap group as a whole is considered "a discontinued operation", which is why the group's income statement is presented on a single line (also at a comparative level), including the net capital gain realised on the sales. With regard to the remaining companies of the Sirap group (Sirap Gema, Sirap UK and Sirap France), their balance sheet figures at June 30, 2021 are not presented as "assets held for sale" in accordance with IFRS 5, as the conditions are not met.
- Investment in Bacco S.p.A.: in March 2021 Italmobiliare, already an investor in the Clessidra Capital Partners 3 fund, participated as one of the fund's co-investors in the operation which saw the acquisition by the CCP3 fund of a majority stake (57%) in Botter S.p.A., a Venetian company that is one of the major exporters of Italian wine in the world, owned by the Botter family and DeA Capital. Italmobiliare's investment, equal to 36 million euro, took place through the co-investment in Bacco S.p.A. with a 31.17% stake, this being the vehicle used to buy the interest in Botter. In May 2021, Italmobiliare subscribed a further increase in favour of Bacco S.p.A. of 7.7 million euro. Although Italmobiliare's stake in Bacco S.p.A. is 31.7%, the Company does not believe it can exercise a significant influence on it for the reasons set out below; the investment has therefore been measured at FVTOCI:
 - Italmobiliare does not have any right to appoint a member to the Board of Directors of Bacco S.p.A.; on the other hand, it has the right to appoint an "observer";
 - Italmobiliare has 100% control over Clessidra, but does not have management control or coordination;
 - the members of the Board of Directors of Bacco S.p.A. are appointed by the CCP3 fund and Italmobiliare is therefore unable to use its power over Clessidra to direct the relevant activities of CCP3; in fact, this fund is not controlled/consolidated by Italmobiliare. This assessment takes into account the CCP3 fund's qualification as an "agent" (at a consolidated level, so considering both the variability relating to Clessidra as a fund manager, and that relating to Italmobiliare as an investor), which leads to the conclusion that Italmobiliare does not have control over the fund as there is no link between decision-making power and exposure to the variability of returns.

The main assumptions regarding the future and the main causes of uncertainty generated by the pandemic at June 30, 2021 that present a significant risk of giving rise to significant adjustments to the carrying amounts of assets and liabilities during the next financial year are shown below:

- impairment of goodwill and investments in associates (for further details, see the paragraph on goodwill);
- fair value of financial assets: as regards investments in listed companies, the fair value is calculated on the basis of the stock market price at the reporting date and could undergo significant changes during the following period; while for financial assets valued with a level 2 and 3 fair value, there is a high degree of judgement due to the elements of complexity inherent in the valuation techniques and significant inputs. As regards the private equity funds, the assessments are made on the basis of the latest NAV communicated by the fund (updated on March 31, 2021 except for the Iconiq funds updated on December 31, 2020).

- calculation of expected credit loss: at the moment, the subsidiaries have not encountered significant problems in recovering trade receivables and do not expect to have such problems in the future.

Furthermore, when preparing these condensed consolidated interim financial statements, the significant judgements in the application of the Group's accounting policies and the main sources of uncertainties in estimates were the same as those applied when preparing the consolidated financial statements for the year ended 31 December 2020.

EXCHANGE RATES USED TO TRANSLATE THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

Currencies	Average rate		Closing rate	
	2021	2020	June 30, 2021	December 31, 2020
Czech koruna	25.85351	26.45593	25.48800	26.24200
Serbian dinar	117.54451	117.61515	117.45970	117.40970
Moroccan dirham	10.74632	10.82339	10.59100	10.91900
US dollar	1.20510	1.14218	1.18840	1.22710
Hungarian florin	357.87675	351.25241	351.68000	363.89000
Swiss franc	1.09457	1.07052	1.09800	1.08020
Ukrainian hryvnia	33.45075	30.84948	32.36180	34.76890
Croatian kuna	7.55033	7.53842	7.49130	7.55190
Moldavian leu	21.25860	19.71093	21.34600	21.06930
Bulgarian lev	1.95583	1.95583	1.95583	1.95583
Egyptian pound	18.90694	18.06501	18.62810	19.31680
Bosnian mark	1.95580	1.95580	1.95580	1.95580
New Turkish lira	9.52398	8.05414	10.32100	9.11310
New Romanian leu	21.25860	4.83828	4.92800	4.86830
Pound sterling	0.86798	0.88970	0.85805	0.89903
Polish zloty	4.53740	4.44318	4.52010	4.55970

The exchange rates used to translate the financial statements of the foreign companies are those published by the Bank of Italy.

SIGNIFICANT EVENTS AND CHANGES IN THE CONSOLIDATION AREA

During the half year period, the main changes in the consolidation area were as follows:

- sale of the investments in Inline Poland, Faerch Italia and Sirap Iberica to the Faerch group and sale of the investments in the Petruzalek group and Sirap GmbH to the Zeus group, with consequent consolidation of the income statement on a single line item for the remaining companies, in accordance with the IFRS 5;
- consolidation with the equity method of the 44.72% stake of Farnagorà group (Italy) which operates in the pharmacy sector;
- full consolidation of Idroenergy (Italy), operating in the hydroelectric sector, 100% owned by Italgem S.p.A.;
- establishment of Solar Roof S.r.l. by Italgem S.p.A.;
- sale of the investment in San Carlo S.p.A. by Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.

The following tables show the impact of the reclassification according to the income statement for the first half of 2020, following the identification of the Sirap group as a discontinued operation.

Comparison of Income Statement

(in thousands of euro)	H1 2020 IFRS 5	%	H1 2020 published	%	Change	%
Revenue	125,016		245,582		(120,566)	
Gains on disposal	9,933		328		9,605	
Other income	20,612		30,241		(9,629)	
Total revenue and income	155,561	100.0	276,151	100.0	(120,590)	-43.7
Other revenue and income	2,739		7,165		(4,426)	
Changes in inventories	514		3,263		(2,749)	
Internally produced and capitalised assets	63		112		(49)	
Raw materials and supplies	(52,856)		(118,646)		65,790	
Services	(26,614)		(46,996)		20,382	
Personnel expenses	(24,060)		(53,085)		29,025	
Other operating income (expenses)	(39,777)		(40,330)		553	
Gross operating profit (EBITDA)	15,570	10.0	27,634	10.0	(12,064)	-43.7
Amortization and depreciation	(7,630)		(14,433)		6,803	
Impairment losses on non-current assets	-		-		-	
Operating profit (EBIT)	7,940	5.1	13,201	4.8	(5,261)	-39.9
Finance income	55		66		(11)	
Finance costs	(913)		(2,321)		1,408	
Net gain/(loss) on exchange-rate differences and derivatives	(47)		(293)		246	
Impairment of financial assets	(798)		(798)		-	
Share of profit/(loss) of equity-accounted associates	(4,743)		(4,743)		-	
Profit/(loss) before tax	1,494	1.0	5,112	1.9	(3,618)	-70.8
Income tax	(2,657)		(3,727)		1,070	
Profit/(loss) from continuing operations	(1,163)	-0.7	1,385	0.5	(2,548)	> 100
Profit/(loss) from discontinued operations, net of tax	2,548		-		2,548	
Profit/(loss) for the period	1,385	0.9	1,385	0.5	-	
Attributable to:						
Owners of the parent company	(8,148)	-5.2	(8,148)	-3.0	-	
Non-controlling interests	9,533	6.1	9,533	3.5	-	

Comparison of Statement of Comprehensive Income

(in thousands of euro)	Notes	H1 2020 IFRS 5	%	H1 2020 published	%	Change	%
Profit/(loss) for the period		1,385	0.6	1,385	0.9		
Other comprehensive income (expense) from continuing operations	37						
Items that will not be reclassified subsequently to profit or loss							
Remeasurement of net defined benefit liability							
Remeasurement of net defined benefit liability - share of other comprehensive income of associates							
Income tax							
Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI		(54,380)		(54,380)			
Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI - share of other comprehensive income of associates							
Income tax		89		89			
Total items that will never be reclassified to profit or loss		(54,291)		(54,291)			
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation reserve		(2)		(2,172)		2,170	
Foreign currency translation reserve - share of other comprehensive income of associates		(41)		(41)			
Fair value gain/(loss) arising on hedging instruments during the period		(123)		(123)			
Fair value gain/(loss) arising on hedging instruments during the period - share of other comprehensive income of associates		(170)		(170)			
Income tax		5		5			
Total items that may be reclassified subsequently to profit or loss		(331)		(2,501)		2,170	
Total other comprehensive income for the period from continuing operations		(331)		(2,501)		2,170	
Total other comprehensive income for the period from discontinued operations, net of tax		(2,170)				(2,170)	
Total other comprehensive income for the period		(56,792)		(56,792)			
Total comprehensive income for the period		(55,407)	-23.8	(55,407)	-35.6		
Attributable to:							
owners of the parent company		(64,934)		(64,934)			
non-controlling interests		9,527		9,527			

Comparison of Statement of Cash Flows

(in thousands of euro)	H1 2020 IFRS 5	H1 2020 published	Change
A) Cash flows from operating activities:			
Profit/(loss) before tax	1.494	5.112	(3.618)
Adjustments for:			
Amortization and depreciation	8.356	15.159	(6.803)
Reversal of share of profit/(loss) of equity-accounted associates	4.843	4.843	
(Gain)/loss on non-current assets	(1.155)	(1.143)	(12)
Change in employee benefits and other provisions	242	382	(140)
Stock options			
Reversal of net finance costs and income	(4.493)	(2.779)	(1.714)
Cash flows from operating activities before tax, finance income/costs, working capital	9.287	21.574	(12.287)
Change in working capital:			
Inventories	(4.305)	(5.379)	1.074
Trade receivables	(3.323)	3.609	(6.932)
Trade payables	(1.312)	(6.018)	4.706
Other receivables/liabilities, accruals and deferrals	6.027	3.765	2.262
Change in working capital	6.374	17.551	(11.177)
Cash flows from operating activities before tax and finance income/costs	6.374	17.551	(11.177)
Net finance costs paid	(56)	(1.242)	1.186
Dividends received	2.344	2.344	
Income tax paid	(6.688)	(7.789)	1.101
Exit from derivatives	(165)	(165)	
Total A)	1.809	10.699	(8.890)
Cash flow from operating activities relating to discontinued operations	8.876	(15)	8.891
Total	10.685	10.684	1
B) Cash flows from investing activities:			
Capital expenditure:			
Property, plant, equipment and investment property	(9.432)	(9.432)	
Intangible assets	(225)	(225)	
Financial assets (equity investments and funds) net of cash acquisitions (*)	(54.349)	(54.349)	
Total capital expenditure	(64.006)	(64.006)	
Proceeds from disposal of non-current assets	48.547	48.547	
Disposal of discontinued operations			
Total disposals	48.547	48.547	
Total B)	(15.459)	(15.459)	
Cash flow from investing activities relating to discontinued operations			
Total	(15.459)	(15.459)	
C) Cash flows from financing activities:			
Change in financial payables	(7.295)	(9.105)	1.810
Change in financial assets	(8.107)	(7.602)	(505)
Change in current equity investments	203	203	
Purchase of treasury shares			
Percentage change in interests in consolidated companies			
Dividends paid	(75.999)	(75.999)	
Third-party contributions (Capitelli/Caffè Borbone non-controlling interests)			
Other changes	(2.146)	(2.146)	
Total C)	(93.344)	(94.649)	1.305
Cash flow from financing activities relating to discontinued operations	(1.393)	(88)	(1.305)
Total	(94.737)	(94.737)	
D) Translation differences and other changes			
Translation differences and other changes	(847)	(846)	(1)
Total D)	(847)	(846)	(1)
Translation differences and other changes relating to assets classified as held for sale	204	204	
Total	(643)	(642)	(1)
E) Cash flows for the period (A+B+C+D)	(107.841)	(100.255)	(7.586)
F) Cash and cash equivalents at the beginning of the period	248.112	248.112	
Change and cash and cash equivalents relating to assets held for sale	7.687	101	7.586
Cash and cash equivalents (E+F)	147.958	147.958	
Cash and cash equivalents of assets classified as held for sale at the end of the period	204		204
Cash and cash equivalents of continuing operations at the end of the period	147.754	147.958	(204)

SEASONAL NATURE OF INTERMEDIATE RESULTS

The Group's industrial sectors are influenced by seasonal phenomena, and also this half-year by the impact of Covid-19, and this circumstance must be considered in examining and evaluating interim results. The companies most affected are Sirap, Italgem, Tecnica Group, Iseo and Autogas Nord, which rather limits the representativeness of the first-half results as a trend for the whole year. For a description of the individual companies' activities, please refer to the explanations given in the 2020 annual report.

Operating segment disclosure

The activities in which the Group operates and which constitute the information by operating segment required by IFRS 8 are: Caffè Borbone, Officina Profumo-Farmaceutica di Santa Maria Novella, Sirap, Italgem, Casa della Salute, Capitelli, Callmewine, Tecnica Group, Autogas Nord-AGN Energia, Iseo and other companies that include the Clessidra group, Crédit Mobilier de Monaco and Italmobiliare Servizi (which constitute 3.2% of consolidated revenue).

The Group management and organisational structure reflects the disclosure by business segment described above. Identification of the operating segments is based on the elements used by senior management of the Group to take decisions regarding the allocation of resources and the evaluation of results.

The following table sets out revenue figures and results by segment at June 30, 2021:

(in thousands of euro)	Revenue and income	Intercompany sales	Contribution revenue	Gross operating profit (EBITDA)	Operating profit (EBIT)	Net finance income/(costs)	Impairment losses on financial assets	Share of profit (loss) of equity-accounted associates	Profit (loss) before tax	Income tax
Italmobiliare	63,925	(27,574)	36,351	45,919	45,529					
Caffè Borbone	129,211	(1)	129,210	46,161	41,354					
Officina Profumo-Farmaceutica di Santa Maria Novella	12,082	(11)	12,071	3,802	2,179					
Sirap										
Italgem	18,289		18,289	8,722	6,715			186		
Casa della Salute	12,530		12,530	1,604	411					
Capitelli	8,388		8,388	2,028	1,621					
Callmewine	8,286		8,286	50	(76)					
Tecnica Group								(985)		
Autogas Nord -AGN								6,614		
Iseo								2,929		
Other companies	9,176	(1,601)	7,575	(272)	(931)			(186)		
Unallocated items and adjustments	(29,187)	29,187		(27,875)	(27,665)	(1,207)			76,488	(24,951)
Total	232,700		232,700	80,139	69,137	(1,207)		8,558	76,488	(24,951)

It should be remembered that the Sirap group has been presented according to IFRS 5 and therefore does not appear in this table or in the following one for comparability.

The following table sets out the revenue figures and results by segment at June 30, 2020:

(in thousands of euro)	Revenue and income	Intercompany sales	Contribution revenue	Gross operating profit (EBITDA)	Operating profit (EBIT)	Net finance income/(costs)	Impairment losses on financial assets	Share of profit (loss) of equity-accounted associates	Profit (loss) before tax	Income tax
Italmobiliare	30,480	(7,332)	23,148	(20,573)	(20,910)		(731)			
Caffè Borbone	104,128	(2)	104,126	34,252	29,748					
Officina Profumo-Farmaceutica di Santa Maria Novella				(29)	(29)			197		
Sirap										
Italgen	13,523		13,523	4,971	2,962			337		
Casa della Salute										
Capitelli	7,206		7,206	1,782	1,378					
Callmewine										
Tecnica Group								(6,597)		
Autogas Nord -AGN								2,194		
Iseo								(1,245)		
Other companies	8,710	(1,152)	7,558	1,560	959		(67)	371		
Unallocated items and adjustments	(8,486)	8,486		(6,393)	(6,168)	(905)			1,494	(2,657)
Total	155,561		155,561	15,570	7,940	(905)	(798)	(4,743)	1,494	(2,657)

The following table sets out other segment figures at June 30, 2021:

(in thousands of euro)	June 30, 2021		June 30, 2021			
	Total assets	Total liabilities	Capital expenditure	Non-current financial investments	Amortization and depreciations	Impairment losses of non-current assets
Italmobiliare	1,375,119	59,844	261	83,667	(390)	
Caffè Borbone	416,540	75,647	5,892		(4,807)	
Officina Profumo-Farmaceutica di Santa Maria Novella	214,365	58,487	561		(1,623)	
Sirap	132,380	30,980	1,734			
Italgen	76,526	48,102	2,449	4,774	(2,007)	
Casa della Salute	39,101	34,361	8,503		(1,193)	
Capitelli	25,957	6,056	540		(407)	
Callmewine	24,484	2,624	54	85	(125)	
Tecnica Group	47,732					
Autogas Nord -AGN	47,222					
Iseo	65,928					
Other companies	98,915	42,343	3,322	105	(659)	
Intersegment eliminations	(655,339)	(14,242)	(295)		209	
Total	1,908,930	344,202	23,021	88,631	(11,002)	
From assets classified as held for sale	7	90				
Total	1,908,937	344,292	23,021	88,631	(11,002)	

Capital expenditure on tangible and intangible assets includes increases due to the application of IFRS 16 for € 3,107 thousand.

The following table sets out other segment figures at December 31, 2020 and June 30, 2020:

(in thousands of euro)	December 31, 2020		June 30, 2020			
	Total assets	Total liabilities	Capital expenditure	Non-current financial investments	Amortization and depreciations	Impairment losses of non-current assets
Italmobiliare	1,339,569	59,227	915	13,012	(337)	(493)
Caffè Borbone	427,441	81,166	2,742	9	(4,504)	
Santa Maria Novella	222,451	22,104		41,295		
Sirap	99,592	130,855	7,776			
Italgen	61,647	32,005	1,589		(2,009)	
Casa della Salute	24,108	23,321				
Capitelli	25,477	5,720	229		(403)	
Callmewine	24,680	2,586				
Tecnica Group	48,816					
Autogas Nord -AGN	62,081					
Iseo	45,700					
Other companies	99,227	30,555	426	33	(601)	(67)
Intersegment eliminations	(667,291)	(26,742)	(262)		224	(238)
Total	1,813,498	360,797	13,415	54,349	(7,630)	(798)
From assets classified as held for sale	131,531	60,102				
Total	1,945,029	420,899	13,415	54,349	(7,630)	(798)

Capital expenditure on tangible and intangible assets includes increases due to the application of IFRS 16 for € 4,315 thousand.

Market capitalisation

During the period, Italmobiliare S.p.A. market capitalisation recorded an increase compared with December 31, 2020 (going from € 1,237.1 million to € 1,287.5 million) connected with the increase of the stock market of reference (FTSE STAR +25.26%).

There was an increase in NAV, already commented in the Directors' Report, because of the increase in value of the portfolio companies partially offset by the decrease due to the partial disposal of the main listed securities held (HeidelbergCement) and the dividend distribution; thanks to the abovementioned reasons, the discount on capitalisation has increased (35.6%).

ASSETS

Non-current assets

1) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment amount to € 166,982 thousand. The increases for new investments amounted to € 19,611 thousand (of which € 3,107 for the application of IFRS 16) and were mainly concentrated in Italy for € 18,170 thousand.

Amortization and depreciation in the caption "Property, plant and equipment" for the period amounted to € 6,928 thousand (€ 3,871 thousand in the first half of 2020), of which € 2,025 thousand for the application of IFRS 16.

Fixed assets are not used to guarantee bank loans.

2) GOODWILL

The goodwill shown in the financial statements at June 30, 2021 amounts to € 238,802 thousand (€ 250,723 thousand at December 31, 2020) and relates to:

- Caffè Borbone for € 153,839 thousand;
- Officina Profumo-Farmaceutica di Santa Maria Novella for € 31,899 thousand;
- Casa della Salute for € 22,098 thousand;
- Callmewine for € 14,382 thousand;
- Capitelli for € 8,011 thousand;
- Other companies and Italgem for € 8,573 thousand, attributable mainly to the Clessidra Group for € 8,225 thousand.

Goodwill impairment testing

Goodwill acquired in a business combination is allocated to the cash-generating units (CGUs). The Group tests the recoverability of goodwill at least once a year, or more frequently if there are signs of impairment.

Since February 2020, the general context has been impacted by the health emergency caused by the Covid-19 pandemic, as explained in the Directors' Report. Italmobiliare promptly implemented, both at the holding company level and at the Portfolio Companies, all safety and control measures, while favouring continuity of production and commercial activities. The measures taken to support the Portfolio Companies and the responsiveness shown by them in such a complex situation, allowed us to limit the impacts of the pandemic.

In this context, there are no signs of any trigger events that would require an impairment test (management has calculated the NAV value for all portfolio companies, as reported in the Director's Report, and from such calculation no significant decreases in value were shown compared to previous year).

Changes to the PPA of Callmewine and Casa della Salute are shown below, even if they are still provisional with allocation respectively to brand and software and to brand only:

(in thousands of euro)	Carrying amount of the company acquired	Fair value adjustment	Fair value attributed to acquisition
Net property, plant & equipment	107		107
Intangible assets		3,810	3,810
Trade receivables and other current assets	2,104		2,104
Cash and cash equivalents	5,039		5,039
Trade payables and other current liabilities	(2,095)		(2,095)
Provision for risks and charges and deferred tax liabilities		(1,063)	(1,063)
Employee benefits	(65)		(65)
Financial payables and other financial liabilities (current and non-current)	(409)		(409)
Fair value of net assets acquired (A)	4,681	2,747	7,428
Goodwill (B)	17,129	(2,747)	14,382
Acquisition costs (C)	89		89
Non-controlling interests at fair value (D)	(8,724)		(8,724)
Total cost of acquisition A + B + C + D	13,175		13,175

Acquisition costs are accounted for in the profit or loss.

(in thousands of euro)	Carrying amount of the company acquired	Fair value adjustment	Fair value attributed to acquisition
Net property, plant & equipment	20,029		20,029
Intangible assets	1,619	4,100	5,719
Trade receivables and other current assets	1,823		1,823
Cash and cash equivalents	636		636
Trade payables and other current liabilities	(5,288)		(5,288)
Provision for risks and charges and deferred tax liabilities		(123)	(123)
Employee benefits	(418)		(418)
Financial payables and other financial liabilities (current and non-current)	(17,125)		(17,125)
Fair value of net assets acquired (A)	786	3,977	4,763
Goodwill (B)	25,080	(3,977)	21,103
Acquisition costs (C)	226		226
Non-controlling interests at fair value (D)	(1,987)		(1,987)
Total consideration A + B + C + D	24,105		24,105

Acquisition costs are accounted for in the profit or loss.

3) INVESTMENTS IN ASSOCIATES

This caption reflects the portions of net equity held in investments in associates. The main equity-accounted investments in associates are listed below:

(in thousands of euro)	Carrying amount of investments		Share of profit (loss)	
	June 30, 2021	December 31, 2020	2021	2020
Associates				
Tecnica Group	47,732	48,816	(985)	(6,597)
Iseo	47,222	45,700	2,929	(1,245)
Autogas Nord -AGN	65,928	60,791	6,614	2,194
S.E.S.	6,400	6,400		
Dokimè	1,981	1,981		184
Florence	16,300	13,800		
Other	8,709	6,261		721
Total investments in associates	194,272	183,749	8,558	(4,743)

The negative result of Tecnica Group has been influenced by the seasonal nature of its business.

The increase in the investment in Florence is due to a capital increase occurred during the period.

Also for investments in associated companies, no trigger events of potential impairment losses have emerged; their NAV was calculated at June 30, 2021, which showed a value that tended to be higher than at December 31, 2020.

4) OTHER EQUITY INVESTMENTS

Other equity investments at June 30, 2021 were as follows:

(in thousands of euro)	Number of shares	June 30, 2021
Investments in listed companies		
HeidelbergCement	952,000	68,868
Vontobel	115,238	7,567
Coima Res	412,332	2,647
Unicredit	204,331	2,033
Cairo Communication	189,198	321
Piaggio	169,699	563
Can Fite	1	
	Total	81,999
Investments in non-listed companies		
Bacco		43,683
Fin Priv		20,543
New Flour		4,216
Sesaab		1,300
KKR Teemo		10,500
Other		1,787
	Total	82,029
	At June 30, 2021	164,028

The fair value of listed companies is determined on the basis of the official share price on the last business day that prices are quoted.

For unlisted securities, their fair value was determined using different measurement techniques according to the characteristics and data available (DCF, market multiples or, if sufficient information is not available, shareholders' equity resulting from the latest approved financial statements).

The carrying amount of equity investments has decreased by 44,291 thousand euro compared with December 2020 (119,737 thousand euro).

The change is mainly due to the following events:

- acquisition of the equity investments in Bacco S.p.A. for 43,683 thousand euro and in KKR Teemo for 10,500 thousand euro;
- disposals of shares in HeidelbergCement for 25,712 thousand euro (which include the recycle of the FVTOCI reserve to retained earnings for 2,990 thousand euro) and fair value adjustment of the investment of +10,586 thousand euro;
- fair value adjustment of Fin.Priv. for +4,675 thousand euro;
- fair value adjustment of Unicredit for +470 thousand euro.

These fair value adjustments have been recognised in the specific FVTOCI reserve in shareholders' equity.

5) TRADE RECEIVABLES AND OTHER NON-CURRENT ASSETS

(in thousands of euro)	June 30, 2021	December 31, 2020	Change
Non-current receivables	9,463	23,127	(13,664)
Financial assets measured at amortised cost	9,000	9,000	
Financial assets at FVTPL NFP	2,831	3,318	(487)
Financial assets at FVTPL non-NFP	166,414	122,814	43,600
Guarantee deposits	2,198	1,130	1,068
Other	1,971	2,015	(44)
Total	191,877	161,404	30,473

"Financial assets at FVTPL non-NFP" included Private Equity funds and increased because of investments for € 23,924 thousand, net revaluations for € 20,411 thousand euro, offset by partial repayments for € 736 thousand.

"Non-current receivables" (which included the portion of the sanction already paid in advance to the Antitrust Authority in previous years by Sirap Gema) have been offset against a specific provision for risks, following the definitive conviction of Sirap Gema and payment of the Antitrust fine imposed on the company, as already mentioned in the Directors' Report.

6) DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets of 16,832 thousand euro (18,177 thousand euro at December 31, 2020) mainly consist of deferred tax assets calculated on the temporary differences of the various subsidiaries. The assets are recognised on the basis of a forecast made by the consolidated companies, which consider that sufficient taxable income is likely to be made in the next years.

The deferred tax liabilities of 8,103 thousand euro (4,004 thousand euro at December 31, 2020) are mainly attributable to deferred taxes relating to intangible assets and "stepped-up" goodwill.

Current assets

7) TRADE RECEIVABLES

(in thousands of euro)	June 30, 2021	December 31, 2020	Change
Gross amount	96,396	81,859	14,537
Bad debt reserve	(3,488)	(4,967)	1,479
Total	92,908	76,892	16,016

The increase in this item is mainly attributable to Clessidra Factoring.

8) EQUITY INVESTMENTS, BONDS AND CURRENT FINANCIAL RECEIVABLES

This caption is broken down as follows:

(in thousands of euro)	June 30, 2021	December 31, 2020	Change
Equity investments measured at FVTPL	20,160	21,228	(1,068)
Funds and other financial instruments	326,235	287,073	39,162
Other receivables	15,871	15,873	(2)
Total	362,266	324,174	38,092

Note that "Funds and other financial instruments" include the movement on the Vontobel Fund: payment made in the half year period for 70,055 thousand euro, a partial disposal of the fund for 21,915 thousand euro and a revaluation for 2,500 thousand euro.

9) CASH AND CASH EQUIVALENTS

(in thousands of euro)	June 30, 2021	December 31, 2020	Change
Cash and checks in hand	2,022	3,407	(1,385)
Bank and postal accounts	86,273	119,659	(33,386)
Total	88,295	123,066	(34,771)

Short-term deposits have various maturities of up to three months and there are no limits on availability. Main variations of the caption are explained in the analysis of the cash flow movements.

EQUITY AND LIABILITIES

Share capital, reserves and retained earnings

10) SHARE CAPITAL

At June 30, 2021, the parent company's fully paid-up share capital amounted to € 100,166,937 represented by 42,500,000 ordinary shares with no par value, as follows:

Number of shares	June 30, 2021	December 31, 2020	Change
Ordinary shares	42,500,000	42,500,000	
Total	42,500,000	42,500,000	

11) RESERVES

Fair value reserve for financial assets measured at FVTOCI - Group share

The reserve changes are due to the reclassification to retained earnings of the share of the reserve linked to the disposal of equity investments for +2,998 thousand euro and for the fair value adjustment of the FVTOCI financial assets for +15,782 thousand euro.

Translation reserve - Group share

At June 30, 2021, this reserve is negative and amounts to € 761 thousand, broken down into the following currencies:

(in thousands of euro)	June 30, 2021	December 31, 2020	Change
Ukraine (Hryvnia)		(2,489)	2,489
UK (Pound Sterling)	524	(66)	590
Poland (Zloty)		(1,795)	1,795
Other countries	(1,285)	(1,248)	(37)
Total	(761)	(5,598)	4,837

Dividends paid

The Parent Company Italmobiliare S.p.A. has paid the following dividends:

	2021 (euro per share)	2020 (euro per share)	2021 (in thousands of euro)	2020 (in thousands of euro)
Ordinary shares	0.650	1.800	27,484	75,999
Total dividends			27,484	75,999

Other reserves

Caffè Borbone approved the establishment of a tax suspension restriction on its equity items at December 31, 2020 for a total amount of 313,622 thousand euro, corresponding to the total value of the intangible assets subject to the "step-up" (323,322 thousand euro, net of the 3% substitute tax of 9,670 thousand euro already recognised at December 31, 2020 and net of the amount of 60,000 thousand euro freed from restrictions by paying at June 30, 2020 the substitute tax of 10% on the amount). Also, Officina Profumo-Farmaceutica di Santa Maria Novella has a tax suspension constraint on shareholders' equity items at December 31, 2021 for a total amount of 120,249 thousand euro, corresponding to the total value of intangible assets subject to the "step-up" (123,968 thousand euro), net of the 3% substitute tax of 3,719 thousand euro, already recognized at December 31, 2020.

Lastly, during the course of 2021, Capitelli's directors decided to make use of the "step-up" procedure, realigning accounting values, prepared on the basis of international accounting standards, with fiscal values, pursuant to Article 110 eighth paragraph of Legislative Decree 104/2020, for the following asset balances which are in line with those shown in these consolidated financial statements: trademarks with a finite useful life and goodwill, for a net benefit in the income statement of 1,037 thousand euro deriving from the release of deferred tax liabilities, net of the substitute tax.

12) TREASURY SHARES

At June 30, 2021 the carrying amount of treasury shares in portfolio stood at € 5,166 thousand, showing a decrease of € 1,454 thousand after some stock option plans were exercised.

The composition is as follows:

	No. ordinary shares	Carrying amount (in thousands of euro)
At December 31, 2020	278,470	6,620
Decreases	(61,400)	(1,454)
At June 30, 2021	217,070	5,166

13) NON-CONTROLLING INTERESTS

Equity attributable to non-controlling interests at June 30, 2021 amounted to 150,840 thousand euro (193,764 thousand euro at December 31, 2020), largely for the 40% non-controlling interest in Caffè Borbone S.r.l., the 20% interest in Capitelli, the 40% interest in Callmewine and for a small percentage in the Casa della Salute group. The change is attributable to the recognition to payables, in deduction of the non-controlling interests, of the estimated realizable value of the put option for the remaining 20% of Officina Profumo-Farmaceutica di Santa Maria Novella for an amount of 40 million euro (Italmobiliare has the right to exercise a call option on the non controlling interest quota).

Non-current and current liabilities

14) PROVISIONS

Total current and non-current provisions amounted to € 28,624 thousand at June 30, 2021 (€ 65,873 thousand at December 31, 2020). They mainly include provisions for legal disputes and provisions for contractual and commercial liabilities. In particular, the decrease is related to the payment of the fine imposed by the European Commission on the Sirap group, on June 19, 2021, for 37,588 thousand euro offset by the amount included in the caption "Non-current receivables" related to the amount already paid as advance of the fine and precedently considered as of probable return (15,000 thousand euro). Please refer to the Directors' Report for other updates about the half year.

15) BORROWINGS

The following table shows borrowings by category, included in the net financial position, split between the current and non-current parts:

(in thousands of euro)	June 30, 2021	December 31, 2020	Change
Bank loans and borrowings	22,463	54,182	(31,719)
Other loans and borrowings	790	873	(83)
Lease payables	29,320	27,995	1,325
Non-current loans and borrowings	52,573	83,050	(30,477)
Fair value of hedging derivatives	29	121	(92)
Total non-current financial liabilities	52,602	83,171	(30,569)
Bank overdrafts	26,602	10,937	15,665
Current portion of borrowings	23,988	34,050	(10,062)
Other loans and borrowings	17,994	17,405	589
Lease payables	4,528	4,762	(234)
Accrued interest expense	7	196	(189)
Loans and borrowings and current financial liabilities	73,119	67,350	5,769
Fair value of derivatives	906	554	352
Total current financial liabilities	74,025	67,904	6,121
Total financial liabilities	126,627	151,075	(24,448)

Long-term borrowings can be analysed by currency as follows:

(in thousands of euro)	June 30, 2021	December 31, 2020	Change
Euro	48,224	78,309	(30,085)
US dollar	4,285	4,555	(270)
Other	64	186	(122)
Total	52,573	83,050	(30,477)

Long-term borrowings can be analysed by maturity as follows:

(in thousands of euro)	June 30, 2021	December 31, 2020	Change
2022	8,775	44,365	(35,590)
2023	9,016	9,292	(276)
2024	7,796	7,373	423
2025	6,629	5,896	733
2026	5,720	4,996	724
2027	3,785	2,268	1,517
2028	3,809	1,945	1,864
Beyond	7,043	6,915	128
Total	52,573	83,050	(30,477)

The change is mainly attributable to the extinction of the Sirap group's debt for more than 40 million euro.

This difference is different from the change in financial payables resulting from the statement of cash flows, mainly due to the reclassification of certain items to the caption assets and liabilities held for sale and the fact that the balance sheet items of the companies acquired at the end of June 2021 had no impact on the statement of cash flows.

Net financial position

The net financial position at June 30, 2021 is positive and is included in the following balance sheet items:

(in thousands of euro)	Caption	Not NFP	NFP	Current assets	Current liabilities	Non-current assets	Non-current liabilities	NFP held for sale
Trade receivables and other non-current assets	191,877	171,413	20,464			20,464		
Other current assets including derivative financial instruments	28,713	18,638	10,075	10,075				
Investments, bonds and current financial receivables	362,266		362,266	362,266				
Cash and cash equivalents	88,295		88,295	88,295				
Non-current financial liabilities	(52,573)		(52,573)				(52,573)	
Other non-current payables and liabilities	(16,235)	(16,206)	(29)				(29)	
Bank loans and overdrafts	(26,602)		(26,602)		(26,602)			
Current financial liabilities	(37,211)		(37,211)		(37,211)			
Other liabilities	(90,955)	(80,743)	(10,212)		(10,212)			
Total	447,575	93,102	354,473	460,636	(74,025)	20,464	(52,602)	
Assets classified as held for sale	7		7					7
Liabilities directly associated with assets classified as held for sale	(90)	(90)						
Total	447,492	93,012	354,480	460,636	(74,025)	20,464	(52,602)	7

For more details on the items included or not included in the NFP, see the table of comparison between the fair value and carrying amount of financial assets and liabilities.

The net financial position at June 30, 2021, which is positive for € 354,480 thousand, is made up as follows:

(in thousands of euro)	June 30, 2021	December 31, 2020	Change
Current financial assets	460,636	456,505	4,131
Cash and cash equivalents	88,295	123,066	(34,771)
Derivatives assets	523	539	(16)
Other current financial assets	371,818	332,900	38,918
Current financial liabilities	(74,025)	(67,904)	(6,121)
Loans and borrowings	(26,602)	(10,937)	(15,665)
Current loans and borrowings	(41,991)	(51,648)	9,657
Current finance lease payables	(4,526)	(4,765)	239
Derivatives liabilities	(906)	(554)	(352)
Non-current financial assets	20,464	35,179	(14,715)
Non-current financial assets	20,464	35,179	(14,715)
Non-current financial liabilities	(52,602)	(83,171)	30,569
Non-current financial liabilities	(23,253)	(55,055)	31,802
Non-current finance lease payables	(29,320)	(27,995)	(1,325)
Non-current derivatives (hedge accounting)	(29)	(121)	92
Net financial position relating to continuing operations	354,473	340,609	13,864
Assets classified as held for sale	7	2,529	(2,522)
Liabilities directly associated with assets classified as held for sale		(22,307)	22,307
Net financial position relating to discontinued operations	7	(19,778)	19,785
Total net financial position	354,480	320,831	33,649

Net financial debt as at June 30, 2021, calculated as envisaged in the Consob communication "Call for attention no. 5/21 of April 29, 2021", is negative (i.e. the net financial position is positive) for 334,016 thousand euro (negative for 285,652 thousand euro at December 31, 2020).

(in thousands of euro)	June 30, 2021	December 31, 2020	Change
Current financial assets	(460,636)	(456,505)	(4,131)
Cash and cash equivalents	(88,295)	(123,066)	34,771
Cash equivalents			
Derivative financial instruments	(523)	(539)	16
Other current financial assets	(371,818)	(332,900)	(38,918)
Current financial liabilities	74,025	67,904	6,121
Bank loans and overdrafts	26,602	10,937	15,665
Current financial liabilities	41,991	51,648	(9,657)
Current finance lease payables	4,526	4,765	(239)
Derivative financial instruments	906	554	352
Non-current financial liabilities	52,602	83,171	(30,569)
Borrowings	23,253	55,055	(31,802)
Non-current finance lease payables	29,320	27,995	1,325
Derivative financial instruments	29	121	(92)
Net financial position relating to continuing operations	(334,009)	(305,430)	(28,579)
Assets classified as held for sale	(7)	(2,529)	2,522
Liabilities directly associated with assets classified as held for sale		22,307	(22,307)
Net financial position relating to discontinued operations	(7)	19,778	(19,785)
Total net financial position	(334,016)	(285,652)	(48,364)

Current financial assets include all assets due within 12 months.

The Group has no reverse factoring/supply agreements.

The Group has not included in the NFP table the payable for the estimated exercise value of the put option on 20% of Officina Profumo-Farmaceutica di Santa Maria Novella, as not considered as of financial nature (in line with the presentation in the balance sheet, where the amount of 40 million euro is shown under "Other liabilities").

COMPARISON BETWEEN FAIR VALUE AND CARRYING AMOUNT

The following table compares the fair value and the carrying amount of financial assets and liabilities at June 30, 2021:

(in thousands of euro)	Carrying amount					Total	Fair value			
	FVTPL	FVTOCI	Amortised cost	FV hedges	Other financial liabilities		Level 1	Level 2	Level 3	Total
Financial assets										
Other equity investments		164,028				164,028	81,999	20,543	61,486	164,028
Trade receivables and other non-current assets	169,245		22,632			191,877	255	2,576	166,414	169,245
<i>Financial assets at amortised cost</i>			9,000			9,000				
<i>Financial assets at FVTPL in NFP</i>	2,831					2,831	255	2,576		2,831
<i>Financial assets at FVTPL not in NFP</i>	166,414					166,414			166,414	166,414
<i>Non-current receivables</i>			9,478			9,478				
<i>Trade receivables</i>			1,956			1,956				
<i>Guarantee deposits</i>			2,198			2,198				
Trade receivables			92,908			92,908				
Current assets including derivative financial instruments	523		28,190			28,713		523		523
<i>Derivatives</i>	523					523		523		523
<i>Trade receivables</i>			9,552			9,552				
<i>Other receivables</i>			18,638			18,638				
Equity investments, bonds and current financial receivables	346,395		15,871			362,266	52,013	294,300	82	346,395
<i>NFP Equity investments FVTPL</i>	20,160					20,160	20,130		30	20,160
<i>Financial assets at FVTPL in NFP</i>	326,235					326,235	31,883	294,300	52	326,235
<i>Financial receivables and accruals</i>			15,871			15,871				
Cash and cash equivalents			88,295			88,295				
Total	516,163	164,028	247,896			928,087	134,267	317,942	227,982	680,191
Financial liabilities										
Non-current financial liabilities					52,573	52,573		52,573		52,573
<i>Bank loans and borrowings</i>					22,463	22,463		22,463		22,463
<i>Finance lease payables</i>					29,320	29,320		29,320		29,320
<i>Other loans and borrowings</i>					790	790		790		790
Other non-current liabilities			6,229	29		6,258		29		29
<i>Derivatives</i>				29		29		29		29
<i>Other non-current payables</i>			6,229			6,229				
Loans and borrowings					26,602	26,602		26,602		26,602
Current financial liabilities					37,211	37,211		37,211		37,211
<i>Bank loans and borrowings</i>					23,988	23,988		23,988		23,988
<i>Finance lease payables</i>					4,528	4,528		4,528		4,528
<i>Other loans and borrowings</i>					185	185		185		185
<i>Other financial payables</i>					8,510	8,510		8,510		8,510
Trade liabilities			57,206			57,206				
Other liabilities	906		90,049			90,955		906		906
<i>Derivatives</i>	906					906		906		906
<i>Trade receivables</i>			9,306			9,306				
<i>Other payables, accruals and deferrals</i>			80,743			80,743				
Total	906		153,484	29	116,386	270,805		117,321		117,321

The above table does not include the payable for put option on Officina Profumo-Farmaceutica di Santa Maria Novella for 40 million euro.

The following table compares the fair value and the carrying amount of financial assets and liabilities at December 31, 2020:

(in thousands of euro)	Carrying amount					Total	Fair value			
	FVTPL	FVTOCI	Amortised cost	FV hedges	Other financial liabilities		Level 1	Level 2	Level 3	Total
Financial assets										
Other equity investments		119,737				119,737	96,447	15,868	7,422	119,737
Trade receivables and other non-current assets	126,132		35,272			161,404	248	3,070	122,814	126,132
<i>Financial assets at amortised cost</i>			9,000			9,000				
<i>Financial assets at FVTPL in NFP</i>	3,318					3,318	248	3,070		3,318
<i>Financial assets at FVTPL not in NFP</i>	122,814					122,814			122,814	122,814
<i>Non-current receivables</i>			23,127			23,127				
<i>Trade receivables</i>			2,015			2,015				
<i>Guarantee deposits</i>			1,130			1,130				
Trade receivables			76,892			76,892				
Current assets including derivative financial instruments	539		18,922			19,461		539		539
<i>Derivatives</i>	539					539		539		539
<i>Trade receivables</i>			8,644			8,644				
<i>Other receivables</i>			10,278			10,278				
Equity investments, bonds and current financial receivables	308,301		15,873			324,174	64,548	243,661	92	308,301
<i>NFP Equity investments FVTPL</i>	21,228					21,228	21,193		35	21,228
<i>Financial assets at FVTPL in NFP</i>	287,073					287,073	43,355	243,661	57	287,073
<i>Investments at FVTOCI</i>										
<i>Financial receivables and accruals</i>			15,873			15,873				
Cash and cash equivalents			123,066			123,066				
Total	434,972	119,737	270,025			824,734	161,243	263,138	130,328	554,709
Financial liabilities										
Non-current financial liabilities					83,050	83,050		83,050		83,050
<i>Bank loans and borrowings</i>					54,182	54,182		54,182		54,182
<i>Finance lease payables</i>					27,995	27,995		27,995		27,995
<i>Other loans and borrowings</i>					873	873		873		873
Other non-current liabilities			476	121		597		121		121
<i>Derivatives</i>				121		121		121		121
<i>Other non-current payables</i>			476			476				
Loans and borrowings					10,937	10,937		10,937		10,937
Current financial liabilities					46,907	46,907		46,907		46,907
<i>Bank loans and borrowings</i>					34,050	34,050		34,050		34,050
<i>Finance lease payables</i>					4,762	4,762		4,762		4,762
<i>Other loans and borrowings</i>					7,899	7,899		7,899		7,899
<i>Other financial payables</i>					196	196		196		196
Trade liabilities			51,497			51,497				
Other liabilities	554		55,006			55,560		554		554
<i>Derivatives</i>	554					554		554		554
<i>Trade liabilities</i>			9,506			9,506				
<i>Other payables, accruals and deferrals</i>			45,500			45,500				
Total	554		106,979	121	140,894	248,548		141,569		141,569

The Group uses the following hierarchy based on different measurement methods to determine and document the fair value of financial instruments:

- level 1: financial instruments with prices quoted on active markets;
- level 2: prices quoted on active markets for similar financial instruments, or fair value determined with other measurement methods where all significant inputs are based on observable market data;
- level 3: fair value determined with measurement methods where no significant input is based on observable market data.

At June 30, 2020 the changes in level 3 are detailed as follows:

(in thousands of euro)	Level 3						Level 3								
	31/12/2020	Purchases	Gains on disposals in income statement	Other gains in income statement	Gains in equity	Other changes	Transfers from other levels	Sales	Repayments	Losses on disposals in income statement	Other losses in income statement	Losses in equity	Other changes	Transfers to other levels	31/12/2021
Non-current equity investments	7,422	54,185				6						(118)	(9)		61,486
Receivables and other non-current assets	122,814	23,925		20,437					(736)		(26)				166,414
Equity investments, bonds and current financial receivables	92								(5)				(5)		82

"Receivables and other non-current assets" are composed of the Private Equity funds. Movements refer to repayments and payments made in the six months period and fair value revaluations and write-downs.

Covenants

In addition to the usual clauses, certain loan agreements granted to Group companies include special clauses known as "covenants", which require compliance with certain financial indices, mainly determined at the year-end.

Loans subject to such covenants at June 30, 2021 include € 14.5 million of the Italgem group's total gross financial debt.

The financial indicator of reference is leverage (the ratio between Italgem's net financial debt and its gross operating profit in the calculation of net financial debt; in some cases, financial assets with associated companies or non-current Group companies are excluded). The maximum limit is 3.5 for the annual review.

According to the data currently available, all covenants are being respected and we do not expect there will be any non-compliance at the end of the year.

The Sirap group do not have anymore loans with covenants.

Following the refinancing that took place in September 2020, Caffè Borbone has outstanding loans at the reporting date for a total of 20 million euro, not subject to covenants.

No Group companies requested any loan repayment moratorium envisaged by the government decrees recently issued to help cope with the pandemic.

Derivatives

The table below shows the fair value of the financial instruments recognized in the statement of financial position, divided by type of hedge:

(in thousands of euro)	June 30, 2021		December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Interest-rate derivatives hedging cash flows		(41)		(48)
Interest-rate derivatives		(41)		(48)
Exchange-rate derivatives for trading	2			
Exchange-rate derivatives	2			
Derivatives on shares and securities	521	(865)	539	(506)
Total current instruments	523	(906)	539	(554)
Interest-rate derivatives hedging cash flows		(29)		(86)
Interest-rate derivatives to hedge fair value				(35)
Interest-rate derivatives		(29)		(121)
Total long-term instruments		(29)		(121)
Total	523	(935)	539	(675)

Liquidity risk

The Group also has unconfirmed credit lines for € 214.6 million at June 30, 2021 (€ 356.1 million at December 31, 2020).

The existence of cash and bank balances (€ 88.3 million) and readily marketable investment funds (Vontobel Fund of € 224.3 million) reduce liquidity risk practically to zero, also considering the maturities of the medium-long term liabilities shown above.

16) TRADE PAYABLES

This caption included:

(in thousands of euro)	June 30, 2021	December 31, 2020	Change
Trade payables due to suppliers	57,206	51,497	5,709
Total	57,206	51,497	5,709

17) OTHER LIABILITIES

(in thousands of euro)	June 30, 2021	December 31, 2020	Change
Due to employees	10,199	15,239	(5,040)
Due to social security bodies	4,396	5,422	(1,026)
Due to tax authorities	13,203	15,430	(2,227)
Accrued expenses and deferred income	2,618	2,280	338
Derivatives	906	554	352
Due to financial and private equity companies	9,306	9,506	(200)
Advances from customers	365	916	(551)
Due to suppliers for non-current assets	5,544	3,075	2,469
Exercise value of the put options	40,000		40,000
Other liabilities	4,418	3,138	1,280
Total	90,955	55,560	35,395

The increase in "Exercise value of the put options" relates to the commitment to buy the residual 20% stake of Officina Profumo-Farmaceutica di Santa Maria Novella.

Commitments

At June 30, 2021 there are commitments for future payments into private equity funds for a total of € 97,321 thousand, USD 13,030 thousand and GBP 576 thousand.

At June 30, 2021 there are commitments for future payments into associates for € 2,500 thousand.

Tecnica Group S.p.A. shares have been pledged as collateral for loans granted to it by banks.

INCOME STATEMENT

Note that the income statement figures for the first half of 2020 have been recalculated on the basis of IFRS 5, according to which all of the income statement items of the Sirap group are to be shown on the line "Profit/(loss) from discontinued operations, net of tax".

18) REVENUE AND INCOME

Revenue and income totalled € 232,700 thousand, broken down as follows:

(in thousands of euro)	H1 2021	H1 2020	Change	Change %
Industrial revenue				
Product sales	157,963	111,334	46,629	41.9%
Services provided	30,937	13,658	17,279	> 100
Total	188,900	124,992	63,908	51.1%
Financial revenue				
Interest	1,040	712	328	46.1%
Dividends	3,040	2,373	667	28.1%
Gains realised and other revenues	32,588	19,982	12,606	63.1%
Commissions	6,505	6,740	(235)	-3.5%
Total	43,173	29,807	13,366	44.8%
Revenues from other activities				
Interest	603	738	(135)	-18.3%
Other revenue	24	24		
Total	627	762	(135)	-17.7%
Grand total	232,700	155,561	77,139	49.6%

The industrial revenues relate to Caffè Borbone, Italgen, Officina Profumo-Farmaceutica di Santa Maria Novella, Casa della Salute, Callmewine and Capitelli, while the financial revenues are attributable to Italmobiliare and Clessidra.

The increase in industrial revenue is due to the consolidation of the new sectors entered at the end of 2020 (Casa della Salute, Officina Profumo-Farmaceutica di Santa Maria Novella and Callmewine for 32,898 thousand euro); with regards to Caffè Borbone, the increase in revenue for 25,082 thousand euro is linked to higher volumes of sales in the Professional, GDE (e-commerce) and GDO (mass retail) channels.

Please refer to the Directors' Report for comments on the changes in revenues and purchase costs.

19) RAW MATERIALS AND SUPPLIES

Raw materials and supplies amounted to € 72,804 thousand, broken down as follows:

(in thousands of euro)	H1 2021	H1 2020	Change	Change %
Raw materials and semifinished goods	26,315	27,861	(1,546)	-5.5%
Fuel	696	770	(74)	-9.6%
Materials and machinery	26,272	21,316	4,956	23.3%
Finished goods	11,837	3,595	8,242	> 100
Electricity and water	3,679	3,118	561	18.0%
Change in inventories of raw materials, consumables and other	4,005	(3,804)	7,809	> 100
Total	72,804	52,856	19,948	37.7%

In the same way as revenue, costs for raw materials increased, both for the consolidation of the new sectors for 11,841 thousand euro and for the increase in production of Caffè Borbone for 8,023 thousand euro.

20) SERVICES

Services amounted to € 43,600 thousand and referred to:

(in thousands of euro)	H1 2021	H1 2020	Change	Change %
External services	4,015	2,886	1,129	39.1%
Maintenance	1,479	1,101	378	34.3%
Transport	5,798	3,308	2,490	75.3%
Legal fees and consultancy	8,225	5,534	2,691	48.6%
Rents	2,540	1,978	562	28.4%
Insurance	803	596	207	34.7%
Membership fees	118	121	(3)	-2.5%
Other miscellaneous expense	20,622	11,090	9,532	86.0%
Total	43,600	26,614	16,986	63.8%

“Rents” refer mainly to fees on concessions that do not fall within the scope of IFRS 16.

In “Other miscellaneous expenses” the increase concerns the entry of the new sectors for 8,716 thousand euro. In the same line item, marketing and advertising costs also increased by 2,656 thousand euro.

21) PERSONNEL EXPENSES

Personnel expenses amount to € 32,955 thousand, broken down as follows:

(in thousands of euro)	H1 2021	H1 2020	Change	Change %
Wages and salaries	22,129	16,386	5,743	35.0%
Social contributions	5,976	4,568	1,408	30.8%
Social security contributions	1,424	993	431	43.4%
Other expenses	3,426	2,113	1,313	62.1%
Total	32,955	24,060	8,895	37.0%

The increase in personnel expenses is due to the consolidation of the new sectors entered into at the end of 2020 amounts to 6,202 thousand euro.

The number of employees is shown below:

(headcount)	H1 2021	H1 2020	Change
Number of employees at the end of period - continuing operations	770	411	359
Number of employees at the end of period - assets classified as held for sale	321	1,385	(1,064)
Number of employees at the end of period	1,091	1,796	(705)
Average number of employees - continuing operations	724	399	325
Average number of employees - assets classified as held for sale	331	1,393	(1,062)
Average number of employees	1,055	1,792	(737)

The increase in both the final number (+265) and the average number (+302) of employees by line of business is mainly attributable to the new sectors. The decrease in the number of employees due to assets held for sale can be identified with the sale of certain investments in the Sirap group, as indicated in the Directors' Report.

22) OTHER OPERATING INCOME (EXPENSES)

Other operating expenses, net of other operating income, amounted to € 9,186 thousand, broken down as follows:

(in thousands of euro)	H1 2021	H1 2020	Change	Change %
Other taxes	2,223	2,485	(262)	-10.5%
Provision for bad debt reserve	242	451	(209)	-46.3%
Interest expense and other finance costs	3,675	32,116	(28,441)	-88.6%
Amounts set aside to provisions and other expense	3,669	7,924	(4,255)	-53.7%
Other income	(1,409)	(2,433)	1,024	-42.1%
Net gains from the sale of non-current assets	29	(1,155)	1,184	> 100
Other (income) expense	757	389	368	94.6%
Total	9,186	39,777	(30,591)	-76.9%

The decrease in "Interest expense and other finance costs" is mainly attributable to Italmobiliare for lower write-downs of financial assets measured at fair value through profit or loss for € 25.696 thousand.

The decrease in "Other expenses" is mainly attributable to higher amount of the LTI 2017-2020 for € 4,695 thousand recorded in the first half of 2020.

The allowance for doubtful accounts is not significant to require a separate line item in the financial statements.

23) FINANCE INCOME AND COSTS, NET GAINS (LOSSES) ON EXCHANGE-RATE DIFFERENCES AND DERIVATIVES

Net finance costs amounted to € 1,207 thousand. This amount is composed as follows:

(in thousands of euro)	H1 2021		H1 2020	
	Income	Costs	Income	Costs
Interest income	63		23	
Interest expense		(254)		(564)
Dividends and income (costs) from equity investments	7		3	
Gains/losses on sale of equity investments	10	(838)		(40)
Other finance income	9		29	
Capitalised interest expense				
Other finance costs		(360)		(309)
Total finance income (costs)	89	(1,452)	55	(913)
Gains/losses on interest-rate derivatives				(14)
Gains/losses on exchange-rate derivatives				
Net exchange-rate differences	156			(33)
Net gain/(loss) on exchange-rate differences and derivatives		156		(47)
Total finance income (costs), exchange-rate differences and net gains (losses) on derivatives		(1,207)		(905)

Interest expenses for lease contracts amount to € 68 thousand (€ 29 thousand in the first half of 2020).

24) INCOME TAX

Income tax for the period was negative for € 24,951 thousand, analysed as follows:

(in thousands of euro)	H1 2021	H1 2020 IFRS 5	Change	Change %
Current tax	15,846	4,542	11,304	n.s.
Prior-year tax and other prior-year tax items	367	(1,584)	1,951	n.s.
Deferred tax	8,738	(301)	9,039	n.s.
Total	24,951	2,657	22,294	n.s.

n.s. not significant

The change in current taxes is mainly attributable to Caffè Borbone and Italmobiliare, the parent company, for the improvement in the results.

The change in deferred taxes is mainly attributable to Caffè Borbone for the partial release of the revaluation reserve set up in 2020 (6 million euro).

25) STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euro)	Gross amount	Income tax	Net amount
Other comprehensive income at June 30, 2021			
Fair value gains (losses) on:			
Financial assets measured at FVTOCI	17,031	(40)	16,991
Derivatives	(537)		(537)
Translation differences	4,621		4,621
Actuarial gains (losses) on defined benefit plans	106		106
Other comprehensive income (expense)	21,221	(40)	21,181

26) EARNINGS (LOSSES) PER SHARE

Earnings (losses) per share at June 30 are calculated on the basis of the result attributable to the Parent Company and is recognised for ordinary shares.

Basic earnings per share

The weighted average number of shares and attributable profit (loss) are shown below:

	H1 2021	H1 2020 IFRS 5
(no. shares in thousands)	Ordinary shares	Ordinary shares
No. shares at January 1	42,500	42,500
Treasury shares at January 1	(278)	(512)
Weighted average number of treasury shares sold in the period	51	211
Total	42,273	42,199
Attributable profit in thousands of euro	107,092	(8,148)
Basic earnings per share in euro	2.533	(0.193)

Profit attributable by share category was determined as follows:

	H1 2021	H1 2020 IFRS 5
(in thousands of euro)	Ordinary shares	Ordinary shares
Residual profit apportioned to all shares	107,092	(8,148)
Total	107,092	(8,148)

Diluted earnings per share

Diluted earnings per share are computed in the same way as basic earnings (losses) per share, taking account of the dilutive effect of stock options that expired during the first half of 2021.

The weighted average number of shares and attributable profit (loss) are shown below:

	H1 2021	H1 2020 IFRS 5
(no. shares in thousands)	Ordinary shares	Ordinary shares
Weighted average number of shares at December 31	42,273	42,199
Dilutive effect of stock options		33
Total	42,273	42,232
Attributable profit for diluted earnings per share in thousands of euro	107,092	(8,148)
Diluted earnings per share in euro	n.a.	(0.193)

Profit attributable by share category was determined as follows:

	H1 2021	H1 2020 IFRS 5
(in thousands of euro)	Ordinary shares	Ordinary shares
Residual profit apportioned to all shares	107,092	(8,148)
Total	107,092	(8,148)

Earnings (losses) per share at June 30 are calculated on the basis of the result attributable to the Parent Company and is recognised for ordinary shares.

Basic earnings per share relating to continuing operations

The weighted average number of shares and attributable profit (loss) relating to continuing operations are shown below:

	H1 2021	H1 2020 IFRS 5
(no. shares in thousands)	Ordinary shares	Ordinary shares
No. shares at January 1	42,500	42,500
Treasury shares at January 1	(278)	(512)
Weighted average number of treasury shares sold in the period	51	211
Total	42,273	42,199
Attributable profit in thousands of euro relating to continuing operations	41,213	(10,696)
Basic earnings per share in euro	0.975	(0.253)

Profit relating to continuing operations attributable by share category was determined as follows:

	H1 2021	H1 2020 IFRS 5
(in thousands of euro)	Ordinary shares	Ordinary shares
Residual profit relating to continuing operations apportioned to all shares	41,213	(10,696)
Total	41,213	(10,696)

Diluted earnings per share relating to continuing operations

Diluted earnings per share are computed in the same way as basic earnings (losses) per share, taking account of the dilutive effect of stock options.

The weighted average number of shares and attributable profit (loss) are shown below:

	H1 2021	H1 2020 IFRS 5
(no. shares in thousands)	Ordinary shares	Ordinary shares
Weighted average number of shares at December 31	42,273	42,199
Dilutive effect of stock options		33
Total	42,273	42,232
Attributable profit in thousands of euro relating to continuing operations	41,213	(10,696)
Diluted earnings per share in euro	n.a.	(0.253)

Profit attributable by share category was determined as follows:

	H1 2021	H1 2020 IFRS 5
(in thousands of euro)	Ordinary shares	Ordinary shares
Residual profit relating to continuing operations apportioned to all shares	41,213	(10,696)
Total	41,213	(10,696)

Basic earnings per share relating to assets classified as held for sale

The weighted average number of shares and attributable profit (loss) are shown below:

	H1 2021	H1 2020 IFRS 5
(no. shares in thousands)	Ordinary shares	Ordinary shares
No. shares at January 1	42,500	42,500
Treasury shares at January 1	(278)	(512)
Weighted average number of treasury shares sold in the period	51	211
Total	42,273	42,199
Attributable profit in thousands of euro relating to discontinuing operations	65,879	2,548
Basic earnings per share in euro	1.558	0.060

Profit attributable by share category was determined as follows:

	H1 2021	H1 2020 IFRS 5
(in thousands of euro)	Ordinary shares	Ordinary shares
Residual profit relating to discontinuing operations apportioned to all shares	65,879	2,548
Total	65,879	2,548

Diluted earnings per share relating to assets classified as held for sale

Diluted earnings per share are computed in the same way as basic earnings (losses) per share, taking account of the dilutive effect of stock options.

The weighted average number of shares and attributable profit (loss) are shown below:

	H1 2021	H1 2020 IFRS 5
(no. shares in thousands)	Ordinary shares	Ordinary shares
Weighted average number of shares at December 31	42,273	42,199
Dilutive effect of stock options		33
Total	42,273	42,232
Attributable profit relating to discontinuing operations for diluted earnings per share in thousands of euro	65,879	2,548
Diluted earnings per share in euro	n.a.	0.060

Profit attributable by share category was determined as follows:

	H1 2021	H1 2020 IFRS 5
(in thousands of euro)	Ordinary shares	Ordinary shares
Residual profit relating to discontinuing operations apportioned to all shares	65,879	2,548
Total	65,879	2,548

27) TRANSACTIONS WITH RELATED PARTIES

The figures for transactions with related parties at June 30, 2021 are summarised in the following table:

(in thousands of euro)	Revenue and income (expense)	Trade receivables (payables)	Financial assets (liabilities)	Net finance income/(costs)	Other operating income (expense)
Associates not consolidated line-by-line	3,575	771	15,093	49	
Other related parties	27				
	(213)	(14)			(250)
Total	3,602	771	15,093	49	
	(213)	(14)			(250)
% impact on financial statement items	1.5%	0.8%	3.1%	55.1%	
	0.1%	0.0%			2.7%

The corresponding figures at June 30, 2020 are as follows:

(in thousands of euro)	Revenue and income (expense)	Trade receivables (payables)	Financial assets (liabilities)	Net finance income (costs)	Other operating income (expense)
Associates not consolidated line-by-line	1,128	210	15,334	7	
	(6)	(2)			
Other related parties	21	11			
	(154)	(44)			(400)
Total	1,149	221	15,334	7	
	(160)	(46)			(400)
% impact on financial statement items	0.4%	0.2%	2.7%	10.6%	
	0.1%	0.1%			1.0%

At June 30, 2021, the item "Other charges of other related parties" includes € 250 thousand of contributions set aside or paid by Italmobiliare S.p.A. to the Fondazione Cav. Lav. Carlo Pesenti (€ 400 thousand in the first half of 2020).

Events after the reporting date

In March 2021 Italmobiliare, already an investor in the Clessidra Capital Partners 3 fund, participated as one of the fund's co-investors in the operation which saw the acquisition by the Clessidra Capital Partners 3 fund of a majority stake in Botter S.p.A., a Venetian company that is one of the major exporters of Italian wine in the world, owned by the Botter family and DeA Capital. Italmobiliare's investment - 43.7 million euro - is in support of Clessidra's project, which has identified Botter as the cornerstone of an initiative to consolidate the wine trade: a strategy of targeted acquisitions with the idea of creating an Italian leader in this sector with strong growth potential in new markets. In June 2021 Italmobiliare, already an investor in the Clessidra Capital Partners 3 fund, signed a commitment to the first closing of the Clessidra Capital Partners 4 fund for 75 million euro and in July 2021 part of the investment in Bacco was sold to the fund 4.

Outlook

The world economic cycle closed the first half of the year on a solid growth path: compared with +4% in the first quarter, real GDP in the second quarter can be estimated at around +12% year-on-year. While benefiting from the statistical comparison with 2020, the expansion recorded in the two quarters of 2021 and the current indicators are consistent with an expected final growth figure close to 6% in 2021 and 4.5% in 2022. The growth path of the global economy is expected to rise above the pre-Covid trend starting from the third quarter, driven by the increase in the growth of capital investment. The expansion of the manufacturing sector showed a moderate decline in June, but remains on the highest expansion trend of the last ten years, with 80% of countries participating in this growth, while the service sector's indicators in June stood at their highest level since 2007, beating the manufacturing indicators for the third month running.

The world cycle is being driven by the United States. For the first time in over twenty years it is not China that is bolstering the economy, with a final change in GDP for the current year likely to be above 6.5%. Average Eurozone growth is estimated at 4.8% in 2021, whereas in 2022 it should converge at 4.5%, levels also expected in the USA. The expected change in Italian GDP recorded an increase during the second quarter, with averages close to 5% in 2021, while it was slightly below the Eurozone average in 2022.

Inflationary dynamics are on the rise, particularly in the United States, stemming in part from contingent factors that constrain supply, the friction between labour supply and demand deriving from the reopening of economic activity and the increase in the price of raw materials. The increase in labour productivity and the persistence of structural deflationary factors (the impact of technology, demographics, debt) support the view that price increases should be transitory, a view that is also shared by the US central bank and by financial market valuations.

However, uncertainty about the risk of higher inflation remains along with the possibility of further expansion of US fiscal policy compared with other developed countries, which would close the output gap of the US economy faster than before. Financial instability deriving from the perception of a possible longer-lasting acceleration in prices and the effects of the Delta variant of the virus are the main sources of uncertainty affecting the scenario.

In a context that, despite the robust economic recovery currently under way, is still characterised by uncertainty, Italmobiliare further intensified its support for the portfolio companies so that they can fully seize the opportunities offered by the huge stimulus initiatives activated by the principal national and international institutions and by emerging economic, technological and consumer trends which the pandemic experience has accelerated considerably. Italmobiliare's strategy, which is increasingly characterised by the integration of ESG best practices in the development plans of its portfolio companies is very consistent with the focus on the European Union and, more in general, by the main world economies on the ecological and energy transition of business activities.

The implementation of measures aimed at guaranteeing operational excellence, financial flexibility and effective risk management continues at all Group companies, while at the same time innovative marketing solutions are being explored, the transition to a pervasive use of digital commercial channels is being optimised and work continues on attracting talents and strengthening management teams through qualified skills.

As part of the investments made through participation in alternative investment funds, a broad diversification was achieved thanks to a portfolio that provides strategic access to key geographical areas, particularly in Europe and the USA, which is proving to be the main engine of global economic growth, and to various asset classes, from Private Equity to Venture & Growth Capital, with performances that have contributed significantly to the growth in NAV. Full support is being given to the process of reorganizing and diversifying Clessidra, a multi-asset and multi-business platform capable of intercepting the different needs of investors interested in the Italian market; at the same time it is capable of responding to the financial needs of a dynamic entrepreneurial fabric (even if greatly stressed after more than a year of pandemic) through dedicated Private Equity instruments (where Italmobiliare continues to be anchor investor also in the CCP4 fund, which reached the threshold of 270 million euro at the first closing and is still in the collection phase), Private Debt and Factoring.

ITALMOBILIARE

INVESTMENT HOLDING

ANNEX

The table below sets out equity investments held in companies when such investments exceed 10% of voting capital. It also indicates the consolidation method and non-controlling interests.

Company	Head Office		Share capital		Interest held by Group companies			Method	Non-controlling interests %
					Direct	Indirect	%		
Parent company									
Italmobiliare S.p.A.	Milan	I	EUR	100,166,937.00					
035 Investimenti S.p.A.	Bergamo	I	EUR	3,950,000.00	11.15	-	11.15	Italmobiliare S.p.A.	Fair Value
Atmos Venture S.p.A. (under liquidation)	Milan	I	EUR	880,040.00	10.13	-	10.13	Italmobiliare S.p.A.	Fair Value
Autogas Nord S.p.A. *	Volpiano (TO)	I	EUR	11,287,783.00	30.00	-	30.00	Italmobiliare S.p.A.	Equity
Autogas Riviera S.r.l.	Taggia (IM)	I	EUR	102,000.00	-	50.00	50.00	Autogas Nord S.p.A.	Equity
Azienda Agricola Santodeno S.r.l.	Civitella di Romagna (FC)	I	EUR	4,500,000.00	-	100.00	67.53	Mgm Mondo del Vino S.r.l. Integra Italia S.r.l. Wine World Producers Ltd Mondodelvino S.p.A.	Equity
							12.45		
							11.02		
							9.00		
Bacco S.p.A.	Milan	I	EUR	1,213,420.00	31.17	-	31.17	Italmobiliare S.p.A.	Equity
Barone Montalto S.p.A. **	Priocca (CN)	I	EUR	1,000,000.00	-	100.00	100.00	Mondodelvino S.p.A.	Equity
BEA S.p.A.	Busalla (GE)	I	EUR	2,110,000.00	92.06	-	92.06	Italmobiliare S.p.A.	Line-by-line 7.50
Bea Arquata S.r.l.	Busalla (GE)	I	EUR	60,000.00	-	80.00	80.00	BEA S.p.A.	Cost
BEA Biella S.r.l.	Busalla (GE)	I	EUR	130,000.00	-	51.00	51.00	BEA S.p.A.	Line-by-line 49.00
Beijing Tecnica Sport Equip. Co. Ltd	Beijing	RC	CNY	25,727,280.00	-	50.00	50.00	Tecnica Group Spa	Equity
Blizzard Sport Liegenschaftsverwaltungs GmbH	Mittersill	A	EUR	36,336.00	-	99.00	99.00	Blizzard Sport GmbH	Equity
Blizzard Produktion GmbH	Chop	UA	EUR	6,001,701.00	-	100.00	100.00	Blizzard Sport GmbH	Equity
Blizzard Sport GmbH	Mittersill	A	EUR	36,336.00	-	100.00	100.00	IQ-Sports Verwaltungs GmbH	Equity
Caffè Borbone S.r.l.	Caivano (NA)	I	EUR	1,000,000.00	60.00	-	60.00	Italmobiliare S.p.A.	Line-by-line 40.00
Callmewine S.r.l.	Milan	I	EUR	12,245.92	-	60.00	60.00	FT3 S.r.l.	Line-by-line 40.00
Capitelli F.lli S.r.l.	Borgonovo Val Tidone (PC)	I	EUR	51,480.00	80.00	-	80.00	Italmobiliare S.p.A.	Line-by-line 20.00
Casa della Salute S.r.l.	Busalla (GE)	I	EUR	1,000,000.00	-	100.00	100.00	BEA S.p.A.	Line-by-line
Casa Vinicola Botter Carlo & C. S.p.A. **	Fossalta di Piave (VE)	I	EUR	2,100,000.00	-	100.00	100.00	Tabacco S.p.A.	Equity
CCC Holdings Europe S.p.A.	Bergamo	I	EUR	6,130,000.00	16.36	-	16.36	Italmobiliare S.p.A.	Equity
Cerraduras Iseo Iberica S.L.	Ajalvir - Madrid	ES	EUR	300,500.00	-	90.00	90.00	Iseo Serrature S.p.A.	Equity
Chiorlo Gas S.r.l.	Campoformido (UD)	I	EUR	110,000.00	-	100.00	100.00	Autogas Nord S.p.A.	Equity
Ciemmecci Fashion S.r.l.	Empoli (FI)	I	EUR	110,000.00	-	100.00	100.00	Florence S.p.A.	Equity
Clessidra Private Equity SGR S.p.A. (ex Clessidra SGR S.p.A.)	Milan	I	EUR	3,600,000.00	-	100.00	100.00	Clessidra Holding S.p.A.	Line-by-line
Clessidra Capital Credit SGR S.p.A.	Milan	I	EUR	2,400,000.00	-	100.00	100.00	Clessidra Holding S.p.A.	Line-by-line
Clessidra CRF G.P. società semplice	Milan	I	EUR	10,000.00	-	49.00	49.00	Clessidra Capital Credit SGR S.p.A.	Line-by-line 51.00
Clessidra Factoring S.p.A.	Milan	I	EUR	10,650,000.00	-	100.00	100.00	Clessidra Holding S.p.A.	Line-by-line
Clessidra Holding S.p.A.	Milan	I	EUR	10,000,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line
Compagnia Fiduciaria Nazionale S.p.A.	Milan	I	EUR	90,000.00	16.67	-	16.67	Italmobiliare S.p.A.	Fair Value
Crédit Mobilier de Monaco S.A.	Monte Carlo	MC	EUR	5,355,000.00	99.91	-	99.91	Italmobiliare S.p.A.	Line-by-line 0.09
Dokimè S.r.l.	Milan	I	EUR	100,000.00	20.63	-	20.63	Italmobiliare S.p.A.	Equity
Ecoclima S.r.l.	Ariano nel Polesine (RO)	I	EUR	90,000.00	-	55.00	55.00	Autogas Nord S.p.A.	Equity
Eco Park Wind Power	Sofia (Bulgaria)	BG	BGN	5,000.00	-	100.00	100.00	Gardawind S.r.l.	Equity
Energy for MISR B.V.	Amsterdam	NL	EUR	1,000.00	-	100.00	100.00	Italgen S.p.A.	Line-by-line
ENEX S.r.l.	Padernello di Paese (TV)	I	EUR	300,000.00	-	100.00	100.00	Roen Est S.p.A.	Equity
Eurotex PPH SP Z O O	Warsaw (Poland)	PL	PLN	116,000.00	-	100.00	100.00	Giuntini S.p.A.	Equity
Farmacia Brioschi S.r.l.	Bergamo	I	EUR	10,000.00	-	100.00	100.00	Farmagorà Holding S.p.A.	Equity
Farmagorà Holding S.p.A.	Bergamo	I	EUR	5,590,000.00	44.72	-	44.72	Italmobiliare S.p.A.	Equity
Farmagorà Prima S.r.l.	Bergamo	I	EUR	10,000.00	-	100.00	100.00	Farmagorà Holding S.p.A.	Equity
Farmagorà 2 S.r.l.	Bergamo	I	EUR	10,000.00	-	100.00	100.00	Farmagorà Holding S.p.A.	Equity
Feroneria Prod. S.A.	Arad	RO	RON	20,628,636.40	-	100.00	99.9999 0.0001	Iseo Serrature S.p.A. Microhard S.r.l.	Equity
Fin.Priv. S.r.l.	Milan	I	EUR	20,000.00	14.28	-	14.28	Italmobiliare S.p.A.	Fair Value
Florence InvestCo S.r.l. ***	Milan	I	EUR	578,000.00	23.88	-	23.88	Italmobiliare S.p.A.	Equity
Florence Group S.p.A. ****	Milan	I	EUR	864,226.00	-	64.46	64.46	Florence InvestCo S.r.l.	Equity
Florence S.p.A.	Milan	I	EUR	992,783.00	-	100.00	100.00	Florence Group S.p.A.	Equity
Franco Tosi Ventures S.r.l.	Milan	I	EUR	100,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line
FT2 S.r.l.	Milan	I	EUR	10,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line
FT3 S.r.l.	Milan	I	EUR	10,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line
Gardawind S.r.l.	Vipiteno (BZ)	I	EUR	100,000.00	-	49.00	49.00	Italgen S.p.A.	Equity
Giuntini S.p.A.	Peccioli (PI)	I	EUR	500,000.00	-	100.00	100.00	Florence S.p.A.	Equity
Gres Hub S.r.l.	Milan	I	EUR	10,000.00	-	100.00	100.00	Italmobiliare Servizi S.r.l.	Line-by-line
Gruppo Cesari S.r.l.	Milan	I	EUR	10,000.00	-	100.00	100.00	Florence S.p.A.	Equity
Gruppo Energia Italia S.r.l.	Volpiano (TO)	I	EUR	108,000.00	-	50.00	50.00	Autogas Nord S.p.A.	Equity
Haekon Eood	Sofia (Bulgaria)	BG	BGN	5,000.00	-	100.00	100.00	Gardawind S.r.l.	Equity
Idroenergy S.r.l.	Baveno (VB)	I	EUR	99,000.00	-	100.00	100.00	Italgen S.p.A.	Line-by-line
Immobiliare Lido di classe S.r.l. (under liquidation)	Rome	I	EUR	255,000.00	18.04	-	18.04	Italmobiliare S.p.A.	Cost
Integra Italia S.r.l.	Forlì (FC)	I	EUR	500,000.00	-	100.00	98.50 1.50	Mondodelvino S.r.l. Mgm Mondo del Vino S.r.l.	Equity

Company	Head Office			Share capital		Interest held by Group companies			Method	Non-controlling interests %
						Direct	Indirect	%		
Italgen Maroc Ener S.A. (under liquidation)	Casablanca	MAR	MAD	39,100,000.00	-	100.00	99.99	Italgen S.p.A.	Line-by-line	
							0.01	Italmobiliare Servizi S.r.l.		
Italgen Maroc S.A. (under liquidation)	Casablanca	MAR	MAD	1,800,000.00	-	100.00	99.99	Italgen S.p.A.	Line-by-line	
							0.01	Italmobiliare Servizi S.r.l.		
Italgen Misr for Energy SAE (under liquidation)	Cairo	EGY	EGP	76,940,000.00	-	100.00	98.00	Energy for MISR B.V.	Line-by-line	
							1.00	Italmobiliare S.p.A.		
							1.00	Italmobiliare Servizi S.r.l.		
Italgen S.p.A.	Villa di Serio (BG)	I	EUR	20,000,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line	
Italmobiliare Servizi S.r.l.	Milan	I	EUR	3,520,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line	
IQ-Sports Verwaltungs GmbH	Mittersill	A	EUR	35,000.00	-	100.00	100.00	Tecnica Group Spa	Equity	
Iseo Asia Limited	Hong Kong	HK	HKD	1,000,000.00	-	70.00	70.00	Iseo Serrature S.p.A.	Equity	
Iseo Asia Pacific Sdn Bhd	Puchong, Selangor D.E.	MAL	MYR	715,560.00	-	100.00	100.00	Iseo Asia Limited	Equity	
Iseo (Beijing) Security Technology Co., Ltd	Beijing	RC	CNY	500,000.00	-	100.00	100.00	Iseo Asia Limited	Equity	
Iseo Colombia S.A.S.	Bogotá	CO	COP	1,000,000,000.00	-	100.00	100.00	Iseo Serrature S.p.A.	Equity	
Iseo Denmark A.P.S.	Copenhagen	DK	EUR	18,000.00	-	55.00	55.00	Iseo Serrature S.p.A.	Equity	
Iseo Deutschland GmbH	Gera	D	EUR	1,000,000.00	-	100.00	100.00	Iseo Serrature S.p.A.	Equity	
Iseo France S.A.S.	Vaux Le Pénil	FR	EUR	1,075,440.00	-	100.00	100.00	Iseo Serrature S.p.A.	Equity	
Iseo Galvanica S.r.l.	Arad	RO	RON	2,800,000.00	-	99.50	99.50	Iseo Serrature S.p.A.	Equity	
						0.50	0.50	Microhard S.r.l.		
Iseo Gulf LCC	Dubai	UAE	AED	300,000.00	-	100.00	100.00	Iseo Middle East FZE	Equity	
Iseo Middle East FZE	Dubai	UAE	AED	1,000,000.00	-	100.00	100.00	Iseo Denmark A.P.S.	Equity	
Iseo Peru S.A.C.	Lima	PE	PEN	1,250,000.00	-	90.00	90.00	Iseo Serrature S.p.A.	Equity	
Iseo Projects And Access Control DMCC	Dubai	UAE	AED	75,000.00	-	80.00	80.00	Iseo Serrature S.p.A.	Equity	
Iseo Serrature S.p.A.	Pisogne (BS)	I	EUR	24,410,700.00	39.28	-	39.28	Italmobiliare S.p.A.	Equity	
Iseo South Africa Proprietary Limited	Cape Town	ZA	ZAR	2,163.00	-	100.00	100.00	Iseo Serrature S.p.A.	Equity	
Liras S.A.S.	Courbevoie	FR	EUR	16,151,640.00	-	100.00	100.00	Iseo Serrature S.p.A.	Equity	
Locken Iberica S.L.	Madrid	ES	EUR	5,000.00	-	100.00	100.00	Liras S.A.S.	Equity	
Locken Services S.A.	Courbevoie	FR	EUR	116,590.00	-	100.00	100.00	Liras S.A.S.	Equity	
Locken UK Limited	London	GB	GBP	1,000.00	-	99.20	99.20	Liras S.A.S.	Equity	
Lowa Boots LLC	Stamford	USA	USD	35,000.00	-	100.00	99.90	Lowa Sportschuhe GmbH	Equity	
							0.10	Tecnica Group S.p.A.		
Lowa R&D S.r.l. (former Riko Sports S.r.l.)	Caselle di Altivole (TV)	I	EUR	780,000.00	-	100.00	100.00	Lowa Sportschuhe GmbH	Equity	
Lowa Schuhe AG	Interlachen	CH	CHF	1,100,000.00	-	100.00	100.00	MM Holding AG	Equity	
Lowa Sportschuhe GmbH	Jetzendorf	D	EUR	5,000,000.00	-	75.00	75.00	Teclor Srl	Equity	
Manifatture Cesari S.r.l. Unipersonale	Città di Castello (PG)	I	EUR	500,000.00	-	100.00	100.00	Gruppo Cesari S.r.l.	Equity	
Max Conf S.r.l.	Citerna (PG)	I	EUR	70,000.00	-	100.00	100.00	Romolini S.r.l.	Equity	
Mely'S Maglieria S.r.l.	Arezzo	I	EUR	1,500,000.00	-	100.00	100.00	Florence S.p.A.	Equity	
Mesomarket Eood	Sofia (Bulgaria)	BG	BGN	5,000.00	-	100.00	100.00	Gardawind S.r.l.	Equity	
MFS Web S.r.l.	Milan	I	EUR	40,000.00	-	50.00	50.00	Caffè Borbone S.r.l.	Equity	
Microhard S.r.l.	Rovellasca (CO)	I	EUR	100,000.00	-	100.00	100.00	Iseo Serrature S.p.A.	Equity	
Mgm Mondo del Vino S.r.l.	Forlì (FC)	I	EUR	14,413,924.00	-	100.00	100.00	Mondodelvino S.p.A.	Equity	
Mondodelvino S.p.A. **	Forlì (FC)	I	EUR	10,000,000.00	-	100.00	100.00	Ulisse S.p.A.	Equity	
OOO Mgm Russia	Moscow	RU	RUB	10,000.00	-	65.00	65.00	Mgm Mondo del Vino S.r.l.	Equity	
MM Holding AG	Stans	CH	CHF	100,000.00	-	100.00	100.00	Lowa Sportschuhe GmbH	Equity	
New Flour S.p.A.	Milan	I	EUR	163,000.00	16.97	-	16.97	Italmobiliare S.p.A.	Fair Value	
Norfin S.r.l.	Giavera del Montello (TV)	I	EUR	95,000.00	-	100.00	100.00	Tecnica Group Spa	Equity	
Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.	Florence	I	EUR	2,100,000.00	-	80.00	80.00	FT2 S.r.l.	Line-by-line	20.00
Officina Profumo-Farmaceutica di Santa Maria Novella of American Corporation	New York	USA	USD	2,000,000.00	-	100.00	100.00	Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.	Line-by-line	
Olso Meccanica S.r.l. (under liquidation)	San Cesario sul Panaro (MO)	I	EUR	10,400.00	-	100.00	100.00	Iseo Serrature S.p.A.	Equity	
P.A.L.A.GAS S.r.l.	Genoa (GE)	I	EUR	10,200.00	-	100.00	100.00	Autogas Nord S.p.A.	Equity	
Poderi dal Nespoli S.r.l.	Civitella di Romagna (FC)	I	EUR	1,500,000.00	-	95.88	95.88	Azienda Agricola Santodeno S.r.l.	Equity	
Punta Ala Promozione e Sviluppo Immobiliare S.r.l.	Milan	I	EUR	1,300,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line	
Red Pixel S.r.l.	Città di Castello (PG)	I	EUR	220,000.00	-	90.00	90.00	Romolini S.r.l.	Equity	
Rialto Sro	Bošany	SK	EUR	1,068,115.00	-	100.00	100.00	Lowa R&D S.r.l. (former Riko Sports S.r.l.)	Equity	
Roen Est S.p.A.	Ronchi dei Legionari (GO)	I	EUR	27,000,000.00	-	100.00	100.00	CCC Holdings Europe S.p.A.	Equity	
Roen Est S.r.o. (Slovakia)	Nové Mesto nad Vahom	SK	EUR	165,971.00	-	98.00	98.00	Roen Est S.p.A.	Equity	
Romolini S.r.l.	Città di Castello (PG)	I	EUR	30,000.00	-	100.00	100.00	Gruppo Cesari S.r.l.	Equity	
Schöffel-Lowa-Sportartikel GmbH & Co. KG	Schwabmünchen	D	EUR	100,523.00	-	50.00	50.00	Lowa Sportschuhe GmbH	Equity	
S.E.S. Società Editrice Sud S.p.A.	Messina	I	EUR	10,695,505.08	31.10	-	31.10	Italmobiliare S.p.A.	Equity	
Simed S.r.l. (under liquidation)	Albenga (SV)	I	EUR	100,000.00	-	50.00	50.00	BEA S.p.A.	Cost	
Sirap France SAS	Noves	FR	EUR	3,520,000.00	-	100.00	100.00	Sirap Gema S.p.A.	Line-by-line	
Sirap Gema S.p.A.	Bergamo	I	EUR	15,000,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line	
Sirap UK Limited	Sedgefield	UK	£	7,667,666.00	-	100.00	100.00	Sirap Gema S.p.A.	Line-by-line	

Company	Head Office		Share capital	Interest held by Group companies			Method	Non-controlling interests %		
				Direct	Indirect	%				
Société d'Etudes de Participations et de Courtages S.A.	Monte Carlo	MC	EUR	1,290,000.00	99.98	-	99.98	Italmobiliare S.p.A.	Line-by-line	0.02
Solar Rooftop S.r.l.	Villa di Serio (BG)	I	EUR	50,000.00	-	100.00	100.00	Italgen S.p.A.	Line-by-line	
Splendorgas S.r.l.	Santi Cosma e Damiano (LT)	I	EUR	10,000.00	-	60.00	60.00	Autogas Nord S.p.A.	Equity	
Stoccaggi Riuniti Cotignola Scarl	Cotignola (RA)	I	EUR	12,000.00	-	50.00	50.00	Autogas Nord S.p.A.	Equity	
Tabacco S.p.A.	Milan	I	EUR	50,000.00	-	100.00	100.00	Venere S.p.A.	Equity	
Teclor S.r.l.	Giavera del Montello (TV)	I	EUR	10,000,000.00	-	100.00	100.00	Tecnica Group Spa	Equity	
Tecnica Group S.p.A.	Giavera del Montello (TV)	I	EUR	38,533,835.00	40.00	-	40.00	Italmobiliare S.p.A.	Equity	
Tecnica Group Canada Inc	Saint-Laurent	CA	CAD	4,000,000.00	-	100.00	100.00	Tecnica Group S.p.A.	Equity	
Tecnica Group Germany GmbH	Jetzendorf	D	EUR	715,808.00	-	100.00	100.00	Blizzard Sport GmbH	Equity	
Tecnica Group France S.a.r.l.	Anney-Le-Vieux	FR	EUR	1,000,000.00	-	100.00	100.00	Tecnica Group S.p.A.	Equity	
Tecnica Group Japan Ltd	Tokyo	JP	YEN	100,000,000.00	-	99.90	99.90	Tecnica Group S.p.A.	Equity	
Tecnica Group USA Corp.	West Lebanon	USA	USD	5,800,000.00	-	100.00	100.00	Tecnica Group S.p.A.	Equity	
Tecnica Group Schweiz AG	Stans	CH	CHF	500,000.00	-	100.00	100.00	Tecnica Group S.p.A.	Equity	
Tecnica Ungheria Kft	Nagykállo	H	EUR	98,352.00	-	100.00	99.00	Tecnica Group S.p.A.	Equity	
							1.00	Norfin S.r.l.		
Tecnigas S.r.l.	Prevalle (BS)	I	EUR	49,920.00	-	50.00	50.00	Autogas Nord S.p.A.	Equity	
Tianjing Tecnica International Co. Ltd	Tianjin Port	RC	CNY	2,417,770.00	-	50.00	50.00	Tecnica Group S.p.A.	Equity	
Ulisse S.p.A.	Milan	I	EUR	500,000.00	-	93.15	93.15	Venere S.p.A.	Equity	
Universal Imballaggi Sr.l. (under liquidation)	Palermo	I	EUR	1,731,588.00	-	92.64	92.64	Sirap Gema S.p.A.	Line-by-line	7.36
Venere S.p.A.	Milan	I	EUR	990,287.00	-	57.49	57.49	Bacco S.p.A.	Equity	
Versilgas S.r.l.	S: Stefano di Magra (SP)	I	EUR	36,400.00	-	50.00	50.00	Autogas Nord S.p.A.	Equity	
Wine World Producers Limited	Bridgnorth	UK	£	290,000.00	-	100.00	45.00	Mgm Mondodelvino S.r.l.	Equity	
							30.00	Mondodelvino S.p.A.		
							25.00	Barone Montalto S.p.A.		

* Italmobiliare S.p.A.'s investment in Autogas Nord S.p.A. increased in the third quarter of 2019 from 26.88% to 32.82%, it being understood that (i) a portion of this investment, equal to 2.82% of Autogas, is deposited in escrow with a notary, as well as any dividends relating to this 2.82% that may be distributed will be deposited in a trustee current account opened with the same notary, (ii) the Quiris shareholders of Francesco Quirico, Umberto Risso & C. - S.A.P.A. and Mr. Casini will be able to exercise a call option to purchase (on a pro-rata basis), in whole or in part, this 2.82%, for 1 euro, if after the approval of the 2021 financial statements of Autogas Nord S.p.A. the Equity Value 2021 is higher than 318.7 m euro (whereas if the Equity Value 318.7 of Autogas Nord S.p.A. is equal to or less than 318.7 m, the 2.82% will remain definitively acquired by Italmobiliare), and (iii) all or part of the dividends deposited temporarily in escrow (and the related shares) will be released to those who will be the final owners of the 2.82% stake in the share capital of Autogas Nord S.p.A.

** Net of treasury shares held by the company concerned.

*** Following a resolution for an increase in capital not yet registered with the pertinent Companies Register at June 30, 2021, Italmobiliare S.p.A.'s equity investment in Florence InvestCo S.r.l. will be 19.57% of the share capital.

**** Following a resolution for an increase in capital not yet registered with the pertinent Companies Register at June 30, 2021, Florence InvestCo S.r.l.'s equity investment in Florence Group S.p.A. will be 67.65% of the share capital.

ITALMOBILIARE

INVESTMENT HOLDING

Statement pursuant to art. 154-bis.5 of the Italian Consolidated Finance Act (TUF) regarding the condensed interim consolidated financial statements pursuant to art. 81-ter of the Consob Regulation no. 11971 of May 14, 1999 and subsequent modifications and integrations

1. The undersigned Carlo Pesenti, Chief Executive Officer and Mauro Torri, Manager in charge of financial reporting of Italmobiliare S.p.A, also taking into consideration art. 154-bis, paragraphs 3 and 4, of the Legislative Decree no. 58 of February 24, 1998, hereby state:

- the adequacy in relation to the company characteristics and
- the actual application

of the administrative and accounting procedures adopted for the preparation of the **condensed interim consolidated financial statements**, as at and for the period from January 1, 2021 to June 30, 2021.

2. The assessment of the adequacy of the administrative and accounting procedures adopted for the preparation of condensed interim consolidated financial statements at June 30, 2021 is based on a model identified by Italmobiliare according to the CoSO framework (illustrated in the CoSO Report) and also takes into account the document "*Internal Control over Financial Reporting – Guidance for Smaller Public Companies*", both issued by the Committee of Sponsoring Organizations of the Treadway Commission representing a generally accepted international framework.

3. It is also stated that:

3.1 the condensed interim consolidated financial statements at June 30, 2021:

- a) were prepared in compliance with applicable international financial reporting standards recognised by the European Community pursuant to European Parliament and Council Regulation no. 1606/2002 of July 19, 2002;
- b) correspond to the accounting books and entries;
- c) are suitable to provide a true and fair view of the financial position, results of operations and cash flows of Italmobiliare S.p.A. and the companies included in the consolidation area.

3.2 The directors' report includes a reliable analysis of the significant events occurred in the first six months of the year and their impact on the condensed interim consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The directors' report also includes a reliable analysis of the information on significant transactions with related parties.

July 29, 2021

Signed on the original

Carlo Pesenti, Chief Executive Officer
Mauro Torri, Manager in charge of financial reporting

REPORT ON REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
Italmobiliare S.p.A.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Italmobiliare S.p.A. and subsidiaries (the "Italmobiliare Group"), which comprise the statement of financial position as of June 30, 2021 and the income statement, statement of comprehensive income, consolidated statement of changes in equity and statement of cash flows for the six month period then ended, and the explanatory notes. The Directors are responsible for the preparation of the condensed consolidated interim financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of the Italmobiliare Group as at June 30, 2021 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Massimiliano Semprini
Partner

Milan, Italy
August 4, 2021

This report has been translated into the English language solely for the convenience of international readers.

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