CONSOLIDATED HALF YEAR FINANCIAL REPORT

SIX MONTHS ENDED JUNE 30, 2019
(FIRST HALF 2019)

Prepared according to IAS 34

INDEX

1. GOVERNING BODIES AND OFFICERS

BOARD OF DIRECTORS

Chairman	Marco Pescarmona (1) (3) (5) (7)
Chief Executive Officer	Alessandro Fracassi (2) (3) (5)
Directors	Anna Maria Artoni (4)
	Fausto Boni
	Chiara Burberi (4)
	Matteo De Brabant (4)
	Klaus Gummerer (4)
	Valeria Lattuada (4) (6)
	Marco Zampetti

BOARD OF STATUTORY AUDITORS

Chairman	Stefano Gnocchi
Active Statutory Auditors	Paolo Burlando
	Francesca Masotti
Substitute Statutory Auditors	Raffaele Garzone
	Barbara Premoli

INDEPENDENT AUDITORS	EY S.p.A.

COMMITTEES OF THE BOARD OF DIRECTORS

Audit and Risk Committee

Chairman	Chiara Burberi
	Klaus Gummerer
	Marco Zampetti

Remuneration and Share Incentive Committee

Chairman	Matteo de Brabant
	Anna Maria Artoni
	Klaus Gummerer

Committee for Transactions with Related Parties

Chairman	Valeria Lattuada
	Matteo de Brabant
	Klaus Gummerer

(1) The Chairman is the Company's legal representative.
(2) The Chief Executive Officer legally represents the Company, dis-jointly from the Chairman, within the limits of the delegated powers.
(3) Executive Director.
(4) Independent non-executive Director.
(5) Holds executive offices in some Group companies.
(6) Lead Independent Director.
(7) Executive Director in charge of overseeing the Internal Control System.

2. INTERIM DIRECTORS' REPORT ON OPERATIONS

2.1. Introduction

Gruppo MutuiOnline S.p.A. (the "**Company**" or the "**Issuer**") is the holding company of a group of firms (the "**Group**") with an important position in the Italian market for the online comparison, promotion and intermediation of products provided by financial institutions and e-commerce operators (main websites: www.mutuionline.it, www.prestitionline.it, www.segugio.it and www.trovaprezzi.it) and in the Italian market for the provision of complex business process outsourcing services for the financial sector.

Please refer to the explanatory notes for the accounting standards adopted in the preparation of the consolidated abbreviated interim financial report as of and for the six months ended June 30, 2019.

In the following sections, we illustrate the main facts regarding the operations during the past half year and the current financial and economic structure of the Group.

2.2. Organizational structure

The Issuer controls, also indirectly, the following subsidiaries:

- MutuiOnline S.p.A., Money360.it S.p.A, PrestitiOnline S.p.A., CercAssicurazioni.it S.r.l., Segugio.it S.r.l., Segugio Servizi S.r.l., 7Pixel S.r.l., ShoppyDoo S.L.U. (a company with registered office in Spain), Klikkapromo S.r.l. and Innovazione Finanziaria SIM S.p.A.: companies operating in the market for the online comparison, promotion and intermediation of products provided by financial institutions and e-commerce operators to retail consumers; together they represent the "**Broking Division**" of the Group;

- Centro Istruttorie S.p.A., Centro Finanziamenti S.p.A., Quinservizi S.p.A., CESAM S.r.l., Mikono S.r.l., Effelle Ricerche S.r.l., Centro Processi Assicurativi S.r.l., EuroServizi per i Notai S.r.l., IN.SE.CO. S.r.l., MOL BPO S.r.l., Agenzia Italia S.p.A., 65Plus S.r.l., Eagle & Wise Service S.r.l., Eagle NPL Service S.r.l., Eagle Agency S.r.l., and Finprom S.r.l. (a company with registered office in Romania): companies operating in the Italian market for the provision of complex business process outsourcing services for the financial sector; together they represent the "**BPO** (i.e. Business Process Outsourcing) **Division**" of the Group;

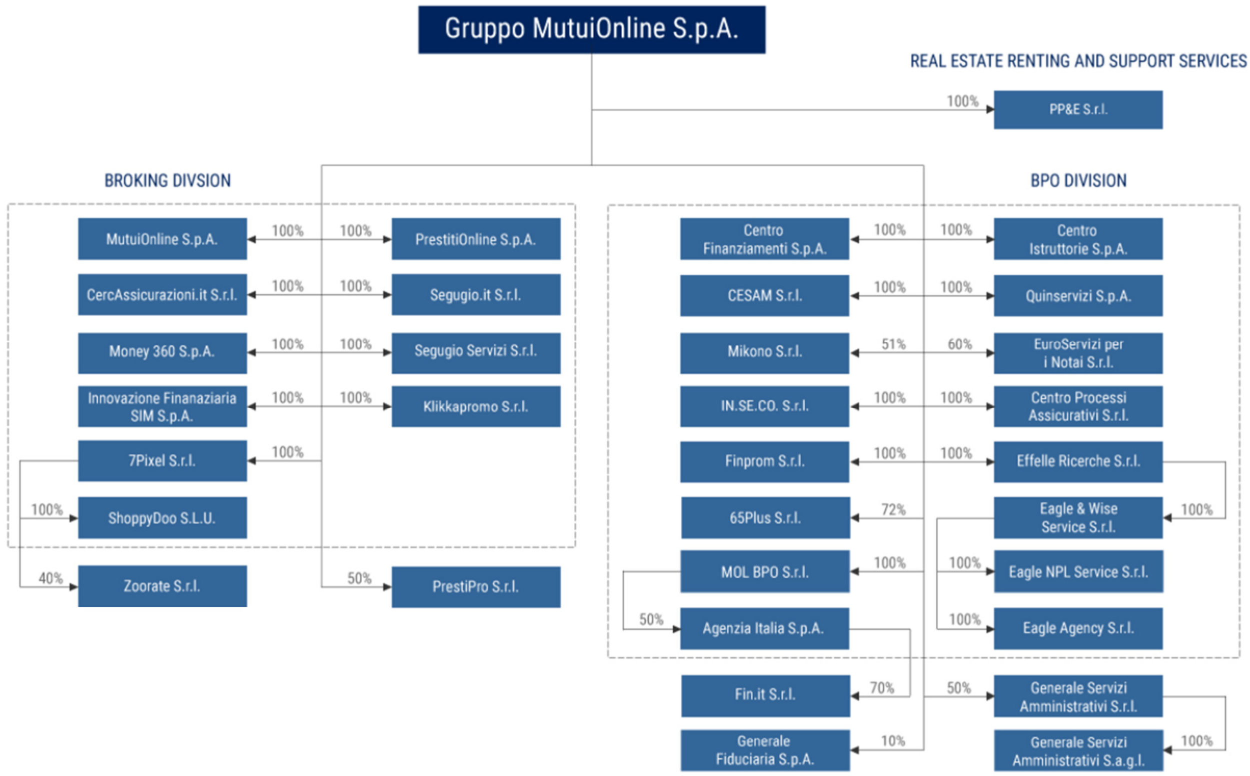
- PP&E S.r.l.: a company providing real estate renting and support services to the other Italian subsidiaries of the Issuer.

In addition, the Issuer owns 50% of the share capital of the joint venture Generale Servizi Amministrativi S.r.l., which provides integrated outsourcing services preparatory to tax advice, 40% of the share capital of Zoorate S.r.l., a company that develops and sells technological solutions for the on-line collection and management of customer reviews and opinions in the Italian market, 50% of the share capital of the joint venture PrestiPro S.r.l., 10% of the share capital of Generale Fiduciaria S.p.A., and 70% of the share capital of Fin.it S.r.l..

On January 9, 2019, the Group acquired, through its fully owned subsidiary Effelle Ricerche S.r.l., 100% of the ordinary share capital of Eagle & Wise Service S.r.l.., a leading company in real estate appraisal services and in real estate technical services for financial institutions, together with its fully owned subsidiaries Eagle NPL Service S.r.l. and Eagle Agency S.r.l. (the "**EW Group**"). The final consideration for the acquisition of the shareholding is equal to Euro 15.1 million, which includes Euro 2.2 million of net cash balance of EW Group as of December 31, 2018. The operation led to the accounting of a provisional goodwill of approximately Euro 12.6 million. Following the acquisition of EW Group, the Issuer identified a new Business Line within the BPO Division, named "**Real Estate Services BPO**", which includes all real estate appraisal services and technical real estate services for financial sector operators, which until the financial year ended December 31, 2018 were included in Mortgage BPO. For a better disclosure, Real Estate Services BPO revenues of the six-month period ended June 30, 2018 are shown separately in this report to allow a fair comparison with the figure for the six-month period ended June 30, 2019.

Finally, on January 22, 2019, the Issuer purchased, for an amount equal to Euro 1,448 thousand, a further 40.43% stake of 65Plus S.r.l., reaching a shareholding equal to 71.79% of the share capital. Following this transaction, the Issuer acquired control over 65Plus S.r.l., and therefore, starting from the acquisition date of the 40.43% stake, the company is consolidated on a line-by-line basis.

Therefore, the consolidation area as of June 30, 2019 is the following.



<u>*Broking Division*</u>

Our Broking Division operates in the Italian market for loan distribution as a credit broker, in the market for insurance distribution as an insurance broker and in the promotion of e-commerce operators. The activities carried out by our Broking Division are organized mainly into the following Business Lines, on the basis of the products brokered:

(a) **Mortgage Broking**: broking mortgage loans mainly through remote channels (www.mutuionline.it website) and through a network of field agents;

(b) **Consumer Loan Broking**: broking consumer loans (prevalently personal loans) through remote channels (www.prestitionline.it website);

(c) **Insurance Broking**: broking insurance products, mainly motor third party liability and other motor insurance products through remote channels (www.cercassicurazioni.it website);

(d) **E-Commerce Price Comparison**: comparing and promoting the offers of e-commerce operators (www.trovaprezzi.it website).

The Broking Division also operates under the "**Segugio.it**" brand (website www.segugio.it), which acts as a multi-brand aggregator for insurance and lending produts, mainly propelled by TV and Internet advertising focused on insurance products. The individual sections of the website are however managed by the product companies of the Group and the relevant revenues are reported under the above-indicated Business Lines.

The Broking Division also operates, through the www.confrontaconti.it and www.segugio.it websites, as an aggregator for further products, in particular bank accounts and utilities (ADSL, electricity, gas).

Besides, subsidiary Innovazione Finanziaria SIM S.p.A. - authorized to operate as professional provider of placement services to the public without underwriting or warranties pursuant to article 1, comma 5, letter c-bis) of Legislative Decree no. 58 of February 24, 1998 - manages, by means of the www.fondionline.it website, an on-line mutual fund "supermarket".

BPO Division

Our BPO Division provides outsourcing services of critical processes for banks, financial intermediaries, insurance companies, investment companies, with a high level of specialization in some reference verticals.

Our BPO services are structured along six separate Business Lines, on the basis of the type of services offered and/or the type of underlying product:

(a) **Mortgage BPO**: provides remote loan sales and packaging and mortgage underwriting and closing services; this Business Line includes notary support services;

(b) **Real Estate Services BPO**: offers real estate appraisal services and technical real estate services for operators in the financial sector;

(c) **CQ Loan BPO**: provides application processing and portfolio management services for salary/pension guaranteed loans;

(d) **Insurance BPO**: provides management and claim settlement outsourcing services for non-motor insurance;

(e) **Investment services BPO**: provides complete operational service solutions and technology platforms to investment and management companies;

(f) **BPO Leasing/Rental**: provides administrative outsourcing services for leasing and long-term rental operators.

2.3. Information about the profitability of the Group

In the following paragraphs we describe the main factors affecting the results of operations of the Group for the six months ended June 30, 2019. The income statement and cash flow data for the six months ended June 30, 2019 are compared with the same period of the previous year.

The following table shows the consolidated income statement of the Group for the six months ended June 30, 2019 and 2018, together with the percentage of each item on Group revenues.

	Six months ended				
(euro thousand)	**June 30, 2019**	**(a)**	**June 30, 2018**	**(a)**	**Change %**
Revenues	107,976	100.0%	85,408	100.0%	26.4%
Other income	1,886	1.7%	1,581	1.9%	19.3%
Capitalization of internal costs	1,092	1.0%	548	0.6%	99.3%
Services costs	(42,274)	-39.2%	(30,889)	-36.2%	36.9%
Personnel costs	(34,220)	-31.7%	(27,564)	-32.3%	24.1%
Other operating costs	(3,312)	-3.1%	(2,802)	-3.3%	18.2%
Depreciation and amortization	(5,514)	-5.1%	(3,117)	-3.6%	76.9%
Operating income	**25,634**	**23.7%**	**23,165**	**27.1%**	**10.7%**
Financial income	2,035	1.9%	103	0.1%	1875.7%
Financial expenses	(665)	-0.6%	(861)	-1.0%	-22.8%
Income/(Losses) from investments	371	0.3%	(54)	-0.1%	N/A
Income/(Expenses) from financial assets/liabilities	(261)	-0.2%	(820)	-1.0%	-68.2%
Net income before income tax expense	**27,114**	**25.1%**	**21,533**	**25.2%**	**25.9%**
Income tax expense	(6,724)	-6.2%	(4,938)	-5.8%	36.2%
Net income	**20,390**	**18.9%**	**16,595**	**19.4%**	**22.9%**

(a) Percentage of total revenues

For a prompt comparison of the data with the consolidated quarterly reports, the following table shows the consolidated income statement for the past five quarters:

	Three months ended				
(euro thousand)	**June 30, 2019**	**March 31, 2019**	**December 31, 2018**	**September 30, 2018**	**June 30, 2018**
Revenues	54,358	53,618	55,830	43,885	47,638
Other income	980	906	1,302	1,196	972
Capitalization of internal costs	927	165	384	158	346
Services costs	(20,856)	(21,418)	(21,740)	(17,527)	(16,903)
Personnel costs	(17,723)	(16,497)	(18,242)	(14,109)	(15,512)
Other operating costs	(1,552)	(1,760)	(1,932)	(1,210)	(1,536)
Depreciation and amortization	(2,873)	(2,641)	(3,636)	(1,426)	(1,556)
Operating income	**13,261**	**12,373**	**11,966**	**10,967**	**13,449**
Financial income	1,923	112	105	137	94
Financial expenses	(328)	(337)	(349)	(324)	(607)
Income/(Losses) from investments	311	60	(833)	110	64
Income/(Expenses) from financial assets/liabilities	(152)	(109)	(740)	(214)	(21)
Net income before income tax expense	**15,015**	**12,099**	**10,149**	**10,676**	**12,979**
Income tax expense	(3,606)	(3,118)	(628)	(2,438)	(2,530)
Net income	**11,409**	**8,981**	**9,521**	**8,238**	**10,449**

2.3.1. Revenues

The table below provides a breakdown of our revenues by Division and Business Line for the six months ended June 30, 2019 and 2018:

	Six months ended				
(euro thousand)	June 30, 2019	(a)	June 30, 2018	(a)	Change %
Mortgage Broking	18,346	17.0%	16,523	19.3%	11.0%
Consumer Loan Broking	3,181	2.9%	3,325	3.9%	-4.3%
Insurance Broking	8,072	7.5%	7,077	8.3%	14.1%
E-Commerce Price Comparison	10,440	9.7%	8,948	10.5%	16.7%
Other revenues of Broking Division	1,230	1.1%	1,318	1.5%	-6.7%
Total revenues of the Broking Division	**41,269**	**38.2%**	**37,191**	**43.5%**	**11.0%**
Mortgage BPO	23,834	22.1%	21,274	24.9%	12.0%
Real Estate Services BPO	8,059	7.5%	2,303	2.7%	249.9%
CQ Loan BPO	9,450	8.8%	8,829	10.3%	7.0%
Insurance BPO	4,509	4.2%	3,880	4.5%	16.2%
Investment Services BPO	4,728	4.4%	4,249	5.0%	11.3%
Leasing/Rental BPO	15,538	14.4%	7,563	8.9%	105.4%
Other revenues of BPO Division	589	0.5%	119	0.1%	395.0%
Total revenues of the BPO Division	**66,707**	**61.8%**	**48,217**	**56.5%**	**38.3%**
Total revenues	**107,976**	**100.0%**	**85,408**	**100.0%**	**26.4%**

(a) % of total revenues

Revenues for the six months ended June 30, 2019 are up 26.4% compared to the same period of the previous financial year, increasing from Euro 85,408 thousand in the first half 2018 to Euro 107,976 thousand in the first half 2019.

The growth of revenues regards both the Broking Division, whose revenues are up 11.0%, increasing from Euro 37,191 thousand in the first half 2018 to Euro 41,269 thousand in the first half 2019, and the BPO Division, whose revenues are up 38.3%, increasing from Euro 48,217 thousand in the first half 2018 to Euro 66,707 thousand in the first half 2019.

As regards the Broking Division, the growth of revenues, if compared to the same period of the previous financial year, is mainly due to the contribution of Mortgage Broking, Insurance Broking and E-Commerce Price Comparison, and it is partially offset by the drop of Consumer Loan Broking and of the other revenues.

As regards the BPO Division, the increase of revenues is mainly due to the growth of the revenues of the new Real Estate Services BPO Business Line and to the full contribution of the Leasing/Rental BPO, included in the consolidation area starting from April 1, 2018. The growth also benefits from the revenue increase of the other Business Lines.

2.3.2. EBITDA

EBITDA is calculated as net income before income tax expense, net financial income/(expenses) and depreciation and amortization.

EBITDA is up 18.5% in the six months ended June 30, 2019, compared to the same period of the previous financial year, increasing from Euro 26,282 thousand in the first half 2018 to Euro 31,148 thousand in the first half 2019.

2.3.3. Operating income (EBIT)

Operating income (EBIT) is up 10.7% in the six months ended June 30, 2019, compared to the same period of the previous financial year, increasing from Euro 23,164 thousand in the first half 2018 to Euro 25,634 thousand in the first half 2019.

	Six months ended				
(euro thousand)	**June 30, 2019**	**(a)**	**June 30, 2018**	**(a)**	**Change %**
Operating income	25,634	23.7%	23,164	27.1%	10.7%
of which					
Broking Division	*12,279*	*29.8%*	*12,121*	*32.6%*	*1.3%*
BPO Division	*13,355*	*20.0%*	*11,043*	*22.9%*	*20.9%*

(a) Percentage of total revenues by Division

Operating income is up 10.7% in the six months ended June 30, 2019, compared to the same period of the previous financial year, passing from Euro 23.2 million in the first half 2018 to Euro 25.6 million in the first half 2019. The operating margin for the six months ended June 30, 2019 is equal to 23.7% of revenues, lower than the operating margin for the same period of the previous year, equal to 27.1% of revenues.

This performance is linked both to the drop of the operating margin of the Broking Division, decreasing from 32.6% in the first half 2018 to 29.8% in the first half 2019, and the drop of the operating margin of the BPO Division, decreasing from 20.9% in the first half 2018 to 20.0% in the first half 2019. Such drops are attributable, with reference to the Broking Division, to higher marketing costs incurred in the first half of 2019, and with reference to the BPO Division, to higher amortization following the recognition of the software asset with the consolidation of Agenzia Italia S.p.A..

2.3.4. Financial Revenues/Expenses

During the six months ended June 30, 2019 we record a positive financial result equal to Euro 1,480 thousand, mainly due to the dividend received from Cerved Group S.p.A. for Euro 1,865 thousand and the income deriving from the evaluation with the equity method of non-controlled participations for Euro 371 thousand, partially offset by the interest expense on the outstanding loans in the period and to the expenses deriving from the evaluation of the financial liabilities.

2.3.5. Taxes

Income taxes in the six months ended June 30, 2019 are accounted based on the best estimate of the expected tax rate for the entire financial year. The estimated tax rate for financial year 2019 is equal to 24.8% (22.9% in 2018).

2.3.6. Net income of the period

Net income increases from Euro 16,595 thousand in the six months ended June 30, 2018 to Euro 20,390 thousand in the six months ended June 30, 2019 (+22.9%).

For the six months ended June 30, 2019 the net income of the Group net of minority interest is equal to Euro 20,149 thousand.

2.4. Information about financial resources of the Group

The net financial position of the Group as of June 30, 2019 and December 31, 2018 is summarized as follows:

		As of			
	(euro thousand)	**June 30, 2019**	**December 31, 2018**	**Change**	**%**
A.	Cash and cash equivalents	24,756	67,876	(43,120)	-63.5%
B.	Other cash equivalents	-	-	-	N/A
C.	Financial assets held to maturity or for trading	3,030	3,395	(365)	-10.8%
D.	**Liquidity (A) + (B) + (C)**	**27,786**	**71,271**	**(43,485)**	**-61.0%**
E.	**Current financial receivables**	**2,333**	**1,379**	**954**	**69.2%**
F.	Current bank borrowings	(16,525)	(813)	(15,712)	1932.6%
G.	Current portion of long-term borrowings	(12,949)	(56,572)	43,623	-77.1%
H.	Other short-term borrowings	(2,413)	(1,197)	(1,216)	101.6%
I.	**Current indebteness (F) + (G) + (H)**	**(31,887)**	**(58,582)**	**26,695**	**-45.6%**
J.	**Net current financial position (I) + (E) + (D)**	**(1,768)**	**14,068**	**(15,836)**	**-112.6%**
K.	Non-current portion of long-term bank borrowings	(74,210)	(37,220)	(36,990)	99.4%
L.	Bonds issued	-	-	-	N/A
M.	Other non-current financial liabilities	(42,348)	(38,418)	(3,930)	10.2%
N.	**Non-current Indebteness (K) + (L) + (M)**	**(116,558)**	**(75,638)**	**(40,920)**	**54.1%**
O.	**Net financial position (J) + (N)**	**(118,326)**	**(61,570)**	**(56,756)**	**92.2%**

As of June 30, 2019, the net financial position of the Group is negative for Euro 118,326 thousand, worsening compared to December 31, 2018, mainly due to the acquisition of Cerved Group S.p.A. shares for Euro 40,778 thousand, to the acquisition of EW Group for Euro 12,936 thousand, to the payment of dividends for Euro 11,292 thousand and to the adoption of the new IFRS 16 standard for Euro 5,901 thousand, partially offset by the cash generated from the operating activities.

2.4.1. Current and non-current indebtedness

Current financial indebtedness amounts to Euro 31,887 thousand as of June 30, 2019 (Euro 58,582 thousand as of December 31, 2018) and is composed of the current portion of outstanding long-term borrowings and leasing liabilities, and of the liabilities related to the short-term credit lines.

With this regard, it should be noted that on June 25, 2019 the Issuer signed a short-term loan agreement with Credito Emiliano S.p.A., for an amount equal to Euro 12,000 thousand, expiring June 25, 2020, with a fixed interest rate equal 0.15%.

Non-current indebtedness as of June 30, 2019 and December 31, 2018 is summarized in the following table:

(euro thousand)	As of June 30, 2019	As of December 31, 2018
Bank borrowings	74,210	37,220
1 - 5 years	*61,830*	*22,300*
More than 5 years	*12,380*	*14,920*
Other non-current financial liabilities	42,348	38,418
Estimated liability for Agenzia Italia S.p.A. put/call option	*38,627*	*38,418*
Leasing liabilities (IFRS 16)	*3,721*	*-*
Total long-term debts and other non-current financial liabilities	**116,558**	**37,220**

Other non-current financial liabilities consist in the estimated financial liability for the exercise of the put/call option for the residual 50% stake of Agenzia Italia S.p.A., exercisable during financial year 2023, and the leasing liabilities deriving from the adoption of the new IFRS 16 standard.

The increase of non-current bank borrowings expiring is mainly due to the restoration of the classification of the non-current portion of the loan obtained from Mediocredito Italiano S.p.A. among non-current financial liabilities, following the receipt of the waiver related to the non-compliance with the covenant concerning the ratio between consolidated gross financial indebtedness and shareholders' equity as of December 31, 2018.

2.4.2. Capital resources, investments and description of the cash flows

The following table shows a summary of the consolidated statement of cash flows for the six months ended June 30, 2019 and 2018:

(euro thousand)	Six months ended June 30, 2019	June 30, 2018	Change	%
A. Cash Flow from operating activities before changes in net working capital	37,087	29,176	7,911	27.1%
B. Changes in net working capital	(20,095)	(13,707)	(6,388)	-46.6%
C. Net cash generated by operating activities (A) + (B)	**16,992**	**15,469**	**1,523**	**9.8%**
D. Net cash generated/(absorbed) by investing activities	**(53,188)**	**(20,242)**	**(32,946)**	**-162.8%**
E. Net cash generated/(absorbed) by financing activities	**(10,636)**	**13,001**	**(23,637)**	**-181.8%**
Net increase/(decrease) in cash and cash equivalents (C) + (D) + (E)	**(46,832)**	**8,228**	**(55,060)**	**-669.2%**

In the six months ended June 30, 2019, the Group absorbed liquidity for Euro 46,832 thousand versus generated liquidity for Euro 8,228 thousand in the same period of 2018. This change is attributable to the growth of the cash absorbed by investing and financing activities.

Cash flow generated by operating activities

Operating activities generated a cash flow of Euro 16,992 thousand in the six months ended June 30, 2019, while in the in the six months ended June 30, 2018, they generated a cash flow of Euro 15,469 thousand.

Such increase is attributable to the increase of cash generated by operations during the six months ended June 30, 2019, partially offset by the cash flow absorbed by changes in net working capital. For the analysis of changes in net working capital please refer to note 2.4.3.

Cash flow absorbed by investment activities

Investing activities absorbed cash for Euro 53,188 thousand in the first half 2019 and Euro 20,242 thousand in the first half 2018. The change is mainly attributable to the cash paid for the acquisition of EW Group for Euro 12,936 thousand and the purchase of Cerved Group S.p.A. shares for Euro 40,778 thousand. The cash absorption is due, for the remainder, to the investments made for the purchase of property, plant and equipment.

Cash flow absorbed by financial activities

Financial activities absorbed liquidity for Euro 10,636 thousand in the first half 2019 and Euro 13,001 thousand in the first half 2018.

The absorbed cash in the first half 2019 is due to the payment of dividends for Euro 11,292 thousand, the purchases and disposals of own shares for a net amount equal to 2,362 thousand and the reimbursement of outstanding loans for an amount equal to Euro 6,660 thousand, partially offset by the subscription of a short-term loan from Credito Emiliano S.p.A., for an amount equal to Euro 12,000 thousand.

The cash generated in the first half 2018 is due to the obtainment of new loans from Mediocredito Italiano S.p.A. for an amount equal to Euro 50,000 thousand, and from Crédit Agricole Cariparma S.p.A., for a net amount equal to Euro 6,500 thousand, partially offset by the payment of dividends for Euro 11,427 thousand, the purchases and disposals of own shares for a net amount equal to 1,104 thousand, the reimbursement of outstanding loans for an amount equal to Euro 6,551 thousand, and the early reimbursement of the bullet loan from Mediocredito Italiano S.p.A. for an amount equal to Euro 25,000 thousand.

2.4.3. Changes in net working capital

The following table presents the breakdown of the component items of net working capital for the six months ended June 30, 2019 and December 31, 2018.

	As of			
(euro thousand)	**June 30, 2019**	**December 31, 2018**	**Change**	**%**
Trade receivables	95,786	75,155	20,631	27.5%
Other current assets and tax receivables	13,146	9,193	3,953	43.0%
Trade and other payables	(25,419)	(24,698)	(721)	2.9%
Tax payables	(1,509)	(2,721)	1,212	-44.5%
Other current liabilities	(25,110)	(20,130)	(4,980)	24.7%
Net working capital	**56,894**	**36,799**	**20,095**	**54.6%**

Net working capital increases, absorbing liquidity for Euro 20,095 thousand, in the six months ended June 30, 2019. Such trend is strongly linked to the growth of trade receivables, due to the increase of the revenues in the period, the trade receivables acquired with the entry of EW Group for Euro 3,155 thousand, and the normal operating cycle of Agenzia Italia S.p.A., which shows non homogenous trends during the year, with reference to cash flows and advances to customers. The increase of net working capital is also due to the increase of the tax receivables, due to the advance payments related to the income taxes for the financial year 2019, and it is partially offset by the increase of the other current liabilities.

2.5. Report on foreseeable evolution

2.5.1. Evolution of the Italian residential mortgage market

The year-on-year contraction of the residential mortgage market already apparent in the first quarter of 2019 became more pronounced in the second quarter, with a significant drop of purchase mortgages and a strong decline of remortgages.

Data from Assofin, an industry association which represents the main lenders active in the sector, show a drop in gross flows of 14.8% in April, of 22.6% in May and of 25.2% in June 2019; in the second quarter total gross flows fell by 21.4%, as a result of a 14.1% contraction of purchase mortgages and 40.9% of other mortgages (mainly remortgages). Data from CRIF, a company which manages the main credit bureau in Italy, report a year-on-year contraction in credit report inquiries for residential mortgage of 10.8% in April, of 10.1% in May and of 11.6% in June 2019.

For the second half of 2019, in light of the weak performance of the mortgage market in previous months and renewed political instability, a continuation of the ongoing contraction is likely. The very recent drop of the spread on Italian sovereign bonds, if confirmed, could improve such outlook.

2.5.2. Broking Division

The Broking Division shows, as expected, a progressive slowdown in the first half of 2019, with a year-on-year drop in revenues of Mortgage Broking and Consumer Loan Broking starting from the second quarter, while revenues of Insurance Broking and E-Commerce Price Comparison increase, also as a result of an increase in marketing expenses.

For the remainder of the year, especially due to the contraction of the mortgage market, we expect a situation of overall stable revenues and moderate year-on-year decline of operating income.

Mortgage Broking

Mortgage Broking revenues, which continued to grow strongly in the first quarter of 2019, contracted as expected starting from the second quarter of the year.

For the following months, a year-on-year decline is expected, due both to the weakness of the market and the Division's above-average exposure to the remortgage segment, which is subject to a stronger drop .

Consumer Loan Broking

The lower attractiveness of the consumer loan product offering compared to the reference market led to a decline in revenues and operating income of Consumer Loan Broking in the second quarter of 2019.

An action plan is currently being developed to reactivate the growth of this Business Line, whose performance has been unsatisfactory in the last years.

Insurance Broking

The number of new contracts brokered, as well as revenues from insurance brokerage, show sustained growth, although marketing expenses also increase significantly.

This trend is likely to continue in the next months, despite a recent reduction in the organic visibility of Segugio.it, thanks to the offsetting impact of a number of service improvements implemented during the year.

E-Commerce Price Comparison

The trend of the E-Commerce Price Comparison is gradually improving, with an acceleration in revenues due to the increase in marketing expenses and the fine tuning of pricing.

For the remainder of the year, it is reasonable to expect a year-on-year increase of revenues and operating income, which benefits from a rationalization of the structure of operating costs.

However, the adverse impact of the way in which Google's generic search results are presented remains, which has the effect of reducing the organic visibility of price comparison websites.

2.5.3. BPO Division

The turnover of the BPO Division grew strongly in the first half of the year, and percentage margins remain within the long-term target range, although they decreased compared to the same period of 2018, partially due to the increase of amortization linked to the acquisition of Agenzia Italia S.p.A..

The strong increase in turnover is mainly due to the enlargement of the consolidation scope following the acquisition of Agenzia Italia S.p.A. and the EW Group, but, even at constant perimeter, turnover, as better detailed below, would have shown a growth rate of over 10%.

The Group expects that, overall, revenues and operating margin of the Division for the second half of 2019 will be in line with those of the first half of the year, although with different trends among the different Business Lines.

In the medium term, the Division's growth outlook remains positive, both for existing and potential customers, although it is important to point out that the renewed political instability could have a negative impact on some of the main reference markets (loans, automotive sector).

The scouting of growth opportunities in new or existing verticals continues, also through corporate acquisitions, when strategically and financially attractive opportunities arise.

Mortgage BPO

The performance of the Business Line (from which figures relating to real estate valuation services have been separated and reported separately from this half-year) shows a double-digit increase in revenues, mainly concentrated in the first months of the year, which then weakened over the rest of the half-year. The slowdown in growth is due both to the contraction of the mortgage market and to the effect of the Bank of Italy's decision to impose a temporary suspension (still ongoing) of the acquisition of new customers for a bank that is a customer of the Division's services.

In the second half of the year, Mortgage BPO results will be in line with or slightly below that of the same period of the last year, also depending on the possible resumption of the activities of the bank affected by the decision of the regulator. Overall, Mortgage BPO turnover in 2019 is expected to grow compared to 2018.

Real Estate Services BPO

Starting from this half year, the results of services related to the real estate world are reported separately from Mortgage BPO. This Business Line includes the real estate valuation services previously provided by the Division and the activities of EW Group, acquired in January 2019.

The results for the second half of the year are expected to be higher than those for the first six months of the year, due to the activation of the contract with a new client, which is one of the main Italian banks.

CQ Loan BPO

The Business Line shows moderate growth in the first six months of the year compared to the same period of 2018, thanks to the activation of the contract with Banca Mediolanum and the growth of some existing customers.

This trend of slight growth is also confirmed for the second half of the year.

Insurance BPO

The result of the Business Line dedicated to insurance services shows a rate of growth above management's expectations due to a different distribution of the workload linked to claims management and credit collection activities.

As previously announced, the overall result for 2019 will be in line or slightly lower than last year.

Investment Services BPO

The Business Line dedicated to investment services shows an organic double-digit growth linked both to the increase in volumes managed for the main client and to the acquisition of new clients for the offer of integrated IT/Operations services. In this regard, the acquisition of 100% of the share capital of Due S.r.l., which took place in July 2019, allows us to strengthen the offer of technological platforms (and related services) in the advisory and account aggregation fields.

The second half of the year should show a continuation of this development trend, even if at lower growth rates.

Leasing/Rent BPO

Agenzia Italia S.p.A. substantially contributes to the growth of the Division compared to the first half of 2018 due to the different period of consolidation (in the previous half year it was limited to the second quarter). Excluding this effect, revenues are still up by about 10% year-on-year in 2019.

This growth trend will accelerate in the second half of 2019, thanks to the contribution of the services that Agenzia Italia S.p.A. will provide for the performing part of the leasing portfolio of 1.6 euro billion that ING Bank sold to Goldman Sachs and Banca Finint at the beginning of August.

2.6 Other information

As required by the provisions of Article 70, Section 8, of the Issuers' Regulation, the Group adopted the "opt out" system provided under Article 70, Section 8, and Article 71, Section 1-bis, of the Issuers' Regulation, thereby availing itself of the exemption from the obligation to publish the information documents required in connection with material transactions involving mergers, demergers, capital increases through conveyances of assets in kind, acquisition and divestments.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE SIX MONTHS ENDED JUNE 30, 2019

Prepared according to IAS 34

3. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE SIX MONTHS ENDED JUNE 30, 2019

3.1. Consolidated statement of financial position as of June 30, 2019 and December 31, 2018

(euro thousand)	Note	As of June 30, 2019	As of December 31, 2018
ASSETS			
Intangible assets	7	109,195	98,641
Property, plant and equipment	7	23,010	16,995
Associates measured with equity method	8	1,731	1,554
Non-current financial assets at fair value	9	50,677	10,264
Other non-current assets		598	599
(of which) with related parties		*190*	*190*
Total non-current assets		**185,211**	**128,053**
Cash and cash equivalents	10	24,756	67,876
Trade receivables	11	95,786	75,155
(of which) with related parties		*23*	*53*
Tax receivables	12	6,584	3,986
Other current assets	13	6,562	5,207
(of which) with related parties		*2,333*	*1,379*
Total current assets		**133,688**	**152,224**
TOTAL ASSETS		**318,899**	**280,277**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	23, 24	953	954
Other reserves	23, 24, 25	69,299	47,102
Net income		20,149	33,736
Total equity attributable to the shareholders of the Issuer		**90,401**	**81,792**
Minority interest		1,569	1,154
Total shareholders' equity		**91,970**	**82,946**
Long-term debts and other financial liabilities	14	116,558	75,638
Provisions for risks and charges	15	1,630	1,797
Defined benefit program liabilities	16	13,449	12,076
Deferred tax liabilities	17	9,033	28
Other deferred liabilities	18	2,334	1,661
Total non-current liabilities		**143,004**	**91,200**
Short-term debts and other financial liabilities	19	31,887	58,582
Trade and other payables	20	25,419	24,698
(of which) with related parties		*1,180*	*725*
Tax payables	21	1,509	2,721
Other current liabilities	22	25,110	20,130
Total current liabilities		**83,925**	**106,131**
TOTAL LIABILITIES		**226,929**	**197,331**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**318,899**	**280,277**

3.2. Consolidated statement of income for the six months ended June 30, 2019 and 2018

		Six months ended	
(euro thousand)	**Note**	**June 30, 2019**	**June 30, 2018**
Revenues	26	107,976	85,408
(of which) with related parties		*12*	*17*
Other income	27	1,886	1,581
(of which) with related parties		*54*	*4*
Capitalization of internal costs	7	1,092	548
Services costs	28	(42,274)	(30,889)
(of which) with related parties		*(1,130)*	*(533)*
Personnel costs	29	(34,220)	(27,564)
Other operating costs	30	(3,312)	(2,802)
(of which) with related parties		-	*(3)*
Depreciation and amortization	31	(5,514)	(3,117)
Operating income		**25,634**	**23,165**
Financial income		2,035	103
(of which) with related parties		*43*	*14*
Financial expenses	32	(665)	(861)
Income/(Losses) from investments	8	371	(54)
Income/(Expenses) from financial assets/liabilities	32	(261)	(820)
Net income before income tax expense		**27,114**	**21,533**
Income tax expense	33	(6,724)	(4,938)
Net income		**20,390**	**16,595**
Attributable to:			
Shareholders of the Issuer		**20,149**	**15,890**
Minority interest		**241**	**705**
Earnings per share basic *(Euro)*	34	0.53	0.42
Earnings per share diluted *(Euro)*	34	0.51	0.41

3.3. Consolidated statement of comprehensive income for the six months ended June 30, 2019 and 2018

(euro thousand)	Note	Six months ended June 30, 2019	June 30, 2018
Net income		**20,390**	**16,595**
Fair value of financial assets	9	1,675	-
Tax effect fair value of financial assets		(20)	-
Currency translation differences		3	(11)
Total other comprehensive income		**1,658**	**16,584**
Total comprehensive net income for the period		**22,048**	**33,179**
Attributable to:			
Shareholders of the Issuer		**21,807**	**15,879**
Minority interest		**241**	**705**

3.4. Consolidated statement of cash flows for the six months ended June 30, 2019 and 2018

(euro thousand)	Note	Six months ended June 30, 2019	June 30, 2018
Net income		**20,390**	**16,595**
Amortization and depreciation	7, 31	5,514	3,117
Stock option expenses	25	539	327
Capitalization of internal costs	7	(1,092)	(548)
Changes of the value of the participations evaluated with the equity method	8	(373)	54
Income tax paid		(227)	(167)
Changes in contract work in progress		-	305
Changes in trade receivables/payables		(18,244)	(4,759)
Changes in other assets/liabilities		9,773	(313)
Changes in defined benefit program		878	889
Changes in provisions for risks and charges		(167)	(31)
Net cash generated/(absorbed) by operating activities		**16,992**	**15,469**
Investments:			
- Increase of intangible assets	7	(72)	(287)
- Increase of property, plant and equipment	7	(1,286)	(1,668)
- Acquisition of subsidiaries	6	(11,442)	(18,555)
- Increases of financial assets at fair value		(40,778)	-
- Acquisition of participation evaluated with the equity mothod	8	-	(49)
Disposals:			
- Reimbursement/sale of securities		390	317
Net cash generated/(absorbed) by investing activities		**(53,188)**	**(20,242)**
Interest paid		(462)	(342)
Increase of financial liabilities	14	11,272	56,932
Decrease of financial liabilities	14	(7,792)	(31,551)
Increase of share capital	23	-	493
Purchase/(sale) of own shares	24	(2,362)	(1,104)
Dividends paid	23	(11,292)	(11,427)
Net cash generated/(absorbed) by financing activities		**(10,636)**	**13,001**
Net increase/(decrease) in cash and cash equivalents		**(46,832)**	**8,228**
Net cash and cash equivalent at the beginning of the period		67,063	76,566
Net cash and cash equivalents at the end of the period		**20,231**	**84,794**
Cash and cash equivalents at the beginning of the period	10	67,876	76,569
Current account overdrafts at the beginning of the period		(813)	(3)
Net cash and cash equivalents at the beginning of the period		**67,063**	**76,566**
Net cash and cash equivalents at the end of the period	10	24,756	89,332
Current account overdrafts at the end of the period		(4,525)	(4,538)
Net cash and cash equivalents at the end of the period		**20,231**	**84,794**

3.5. Consolidated statement of changes in equity as of and for the six months ended June 30, 2019 and 2018

(euro thousand)	Share capital	Legal reserve	Other reserves	Retained earnings including net income of the year	Group total	Minority interest	Total
Total Equity as of January 1, 2018	**957**	**200**	**11.239**	**67.646**	**80.042**	**8.350**	**88.392**
Distribution of ordinary dividends	-	2	-	(11.427)	**(11.425)**	-	**(11.425)**
IFRS 15 effects on opening balance equity	-	-	-	19	**19**	-	**19**
Increase of share capital	2	-	491	-	**493**	-	**493**
Purchase of own shares	(8)	-	(4.234)	-	**(4.242)**	-	**(4.242)**
Disposal of own shares	3	-	702	-	**705**	-	**705**
Exercise of stock options	8	-	2.428	-	**2.436**	-	**2.436**
Stock option plan	-	-	327	-	**327**	-	**327**
Other movements	-	-	(4)	-	**(4)**	-	**(4)**
Net income of the year	-	-	(11)	15.890	**15.879**	705	**16.584**
Total Equity as of June 30, 2018	**962**	**202**	**10.938**	**72.128**	**84.230**	**9.055**	**93.285**
Total Equity as of January 1, 2019	**954**	**202**	**17.563**	**63.073**	**81.792**	**1.154**	**82.946**
Distribution of ordinary dividends	-	-	-	(11.292)	**(11.292)**	-	**(11.292)**
IFRS 16 effects on opening balance equity	-	-	-	(83)	**(83)**	-	**(83)**
Purchase of own shares	(4)	-	(2.886)	-	**(2.890)**	-	**(2.890)**
Exercise of stock options	3	-	525	-	**528**	-	**528**
Stock option plan	-	-	539	-	**539**	-	**539**
Other movements	-	-	-	-	**-**	174	**174**
Net income of the year	-	-	-	21.807	**21.807**	241	**22.048**
Total Equity as of June 30, 2019	**953**	**202**	**15.741**	**73.505**	**90.401**	**1.569**	**91.970**
Note	23	23	24, 25				

3.6. Explanatory notes

1. ***General information***

The Group operates as a broker and/or promoter of different retail credit products (mortgages, personal loans, etc.), insurance products (policies for cars, motorcycles, etc.) and financial products provided by banks, financial intermediaries and insurance companies mainly using remote channels and promotes through the Internet the services of e-commerce operators and utility companies (“**Broking**”), and operates as a provider of complex outsourcing services in the areas of credit, real estate services, claims processing, investment services and leasing/rental, for the benefit of financial institutions and companies owning fleet of vehicles (Business Process Outsourcing or “**BPO**”).

The group holding company is Gruppo MutuiOnline S.p.A. (the “**Company**” or the “**Issuer**”), a company with registered office in Via F. Casati 1/A, Milan.

This consolidated interim financial report has been prepared in Euro, the currency of the primary economic environment in which the Group operates.

All the amounts included in the tables of the following notes are in thousands of Euro, except where otherwise stated.

We remind the shares are listed on the STAR Segment of the Mercato Telematico Azionario (“**MTA**”), the Italian trading system organized and managed by the Italian Stock Exchange.

2. ***Basis of preparation of the interim consolidated financial report***

This consolidated first half report refers to the period from January 1, 2019 to June 30, 2019 and has been prepared in accordance with IAS 34 concerning interim financial reporting. IAS 34 requires a significantly lower amount of information to be included in interim financial statements than what is required by IFRS for annual financial statements, given that the entity has prepared consolidated financial statements compliant with IFRS for the previous financial year. This interim consolidated financial report is prepared in condensed form and provides the disclosure requirements as per IAS 34 and should be read in conjunction with the consolidated financial statements as of and for the year ended December 31, 2018.

This consolidated first half report is subject to a limited review by the external auditors.

The accounting policies used for the preparation of this consolidated half year report have been consistently applied to all the periods presented.

The results of operations, the statements of changes in shareholders’ equity and the statement of cash flows for the six months ended June 30, 2019 are presented together with the comparative information for the six months ended June 30, 2018. The balance sheet data as of June 30, 2019 is presented together with the comparative data of the previous financial year, ended December 31, 2018.

This half year report for the six months ended June 30, 2019 has been prepared with the assumption of business continuity in the light of the economic and financial results achieved, and is composed of the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in shareholders’ equity and the explanatory notes.

The accounting policies used for this consolidated interim financial information are consistent with those used in the preparation of the consolidated financial statements as of and for the year ended December 31, 2018. Please refer to such document for a description of those policies.

The accounting of income taxes is based on the best estimate of the effective tax rate for the entire financial year.

With regards to accounting estimates and judgments please refer to the annual report as of and for the year ended December 31, 2018.

New accounting standards

As pointed out in the annual report as of December 31, 2018, starting from January 1, 2019 the new accounting standard IFRS 16 "Leases" is applicable.

IFRS 16 sets out the principles for the recognition, measurement, presentation and the disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. At the commencement date of a lease, a lessee recognizes a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease (i.e. the right of use asset). Lessees separately recognize the interest expenses on the lease liability and the depreciation expense on the right of use asset.

Lessees will be also required to re-measure the lease liability on the occurrence of certain events (e.g. a change in the lease term, a change in the future lease payments resulting from a change in an index or rate used to establish those payments). The lessee will generally recognize the re-measurement amount of the lease liability as an adjustment to the right of use of the asset.

The standard includes two recognition exemptions for lessees:

- leases of low value assets (a situation that could arise for the Group with reference to operating leases for office equipment such as photocopiers, currently recognized in the balance sheet under the item "Other operating costs");
- short-term leasing contracts (e.g. leases with a lease term of 12 months or less).

Positions that are affected by the application of IFRS 16, with a significant effect for the Group are linked to:

- leasing contracts for the main office site (Milan);
- leasing contracts for operating sites (Faenza, Genoa, Conegliano, Arad);
- cars under long-term rental contracts used by employees of the Group.

With the adoption of IFRS 16, the Group has opted for the application of the modified retrospective method, according to which the cumulated effects from the application of the new standard are booked as adjustments to the opening balance of shareholders' equity. The comparison figures are not restated while the figures for this reporting period are shown applying IFRS 16.

The effects deriving from the adoption of the standard to the opening balance of shareholders' equity are shown below:

(Euro thousand)	Building rental contracts	Car rental contracts	Total
Property, plant and equipment	6,373	555	6,928
Deferred tax assets	23	-	23
Long-term debts and other financial liabilities	4,352	348	4,700
Short-term debts and other financial liabilities	2,127	206	2,333
Retained earnings	(83)	-	(83)

Changes in the values of the rights of use and the leasing liabilities is shown below:

(euro thousand)	Buildings	Vehicols	Total property, plant and equipment	Leasing liabilities
As of January 1, 2019	**6.373**	**555**	**6.928**	**7.033**
Amortization	(992)	(101)	(1.093)	-
Financial expenses	-	-	-	33
Increases / (decreases)	-	3	3	(1.165)
As of June 30, 2019	**5.381**	**457**	**5.838**	**5.901**

In addition, we point out that the following standards, amendments and interpretations, applicable from January 1, 2019, are not relevant or they did not involve effects for the Group:

- IFRIC Interpretation 23: uncertainty over income tax treatments;
- Amendments to IFRS 9: prepayment features with negative compensation;
- Amendments to IAS 28: long-term interests in associates and joint venture;
- Amendments to IAS 19: plan amendment, curtailment or settlement;
- IFRS 3 "Business combinations": previously held interests in a joint operation;
- IFRS 11 Joint arrangements": previously held interests in a joint operation;
- IAS 12 "Income taxes": income tax consequences of payments on financial instruments classified as equity;
- IAS 23 "Borrowing costs": borrowing costs eligible for capitalization.

Consolidation area

The following table lists the subsidiaries and associated companies included in this interim consolidated report.

Name	Registered office	Share capital (Euro)	Consolidation method	% of ownership
65Plus S.r.l.	Milan (Italy)	75,416	Line-by-line	72%
7Pixel S.r.l.	Milan (Italy)	10,500	Line-by-line	100%
Agenzia Italia S.p.A.	Conegliano (Italy)	100,000	Line-by-line	50%
Centro Finanziamenti S.p.A.	Milan (Italy)	2,000,000	Line-by-line	100%
Centro Istruttorie S.p.A.	Milan (Italy)	500,000	Line-by-line	100%
Centro Processi Assicurativi S.r.l.	Milan (Italy)	50,000	Line-by-line	100%
Centro Servizi Asset Mangement S.r.l.	Milan (Italy)	10,000	Line-by-line	100%
CercAssicurazioni.it S.r.l.	Milan (Italy)	100,000	Line-by-line	100%
Eagle & Wise Service S.r.l.	Milan (Italy)	400,000	Line-by-line	100%
Eagle Agency S.r.l.	Milan (Italy)	30,000	Line-by-line	100%
Eagle NPL Service S.r.l.	Milan (Italy)	30,000	Line-by-line	100%
Effelle Ricerche S.r.l.	Milan (Italy)	10,000	Line-by-line	100%
EuroServizi per i Notai S.r.l.	Milan (Italy)	10,000	Line-by-line	60%
Finprom S.r.l.	Arad (Romania)	9,618	Line-by-line	100%
Innovazione Finanziaria SIM S.p.A.	Milan (Italy)	2,000,000	Line-by-line	100%
IN.SE.CO. International Service Consulting S.r.l.	Milan (Italy)	10,400	Line-by-line	100%
Klikkapromo S.r.l.	Milan (Italy)	10,000	Line-by-line	100%
Mikono S.r.l.	Milan (Italy)	10,000	Line-by-line	51%
MOL BPO S.r.l.	Milan (Italy)	10,000	Line-by-line	100%
Money360.it S.p.A.	Milan (Italy)	120,000	Line-by-line	100%
MutuiOnline S.p.A.	Milan (Italy)	1,000,000	Line-by-line	100%
PP&E S.r.l.	Milan (Italy)	100,000	Line-by-line	100%
PrestitiOnline S.p.A.	Milan (Italy)	200,000	Line-by-line	100%
Quinservizi S.p.A.	Milan (Italy)	150,000	Line-by-line	100%
Segugio Servizi S.r.l.	Milan (Italy)	10,000	Line-by-line	100%
Segugio.it S.r.l.	Milan (Italy)	10,000	Line-by-line	100%
ShoppyDoo S.L.U.	Madrid (Spain)	3,500	Line-by-line	100%
Generale Fiduciaria S.p.A.	Milan (Italy)	200,000	Equity method	10%
Generale Servizi Amministrativi S.r.l.	Milan (Italy)	100,000	Equity method	50%
Fin.it S.r.l.*	Conegliano (Italy)	26,000	Equity method	70%
PrestiPro S.r.l.	Milan (Italy)	120,000	Equity method	50%
Zoorate S.r.l.	Milan (Italy)	415,654	Equity method	40%

** Indirectly owned through Agenzia Italia S.p.A.; the percentage in the table corresponds to the stake held by Agenzia Italia S.p.A.*

For the calculation of the equivalent value in Euro of the financial amounts in foreign currency of the Rumanian subsidiary Finprom S.r.l. we apply the following exchange rates:

RON/Euro	As of June 30, 2019	As of June 30, 2018
Balance sheet items	4.734	4.663
Income statement items	4.742	4.654

3. *Risk Management*

Group risk management is based on the principle that operating risk or financial risk is managed by the manager in charge of the business process involved.

The main risks are reported and discussed at Group top management level in order to create the conditions for their coverage, assurance and assessment of residual risk.

Exchange and interest rate risk

Currently the financial risk management policies of the companies of the Group do not provide for the use of derivative instruments to mitigate interest rate risk since, as of today, the risk of incurring higher interest costs following unfavorable changes in market interest rates, as better analyzed afterwards, is of moderate amount when compared to the economic and financial parameters of the Group and is considered acceptable when compared to the costs that should be incurred to reduce or eliminate such risk.

The interest rate on the bank loan from Crédit Agricole Cariparma S.p.A., obtained on June 28, 2018, is equal to 3-month Euribor increased by 0.90%, and it is subject to a change during the length of the contract based on the change of the ratio between Net Financial Indebtedness and EBITDA.

The interest rate on the loan from Banca Popolare di Milano S.p.A., obtained on September 27, 2018, is equal to 6-month Euribor increased by 1.10% on the amortizing credit line equal to Euro 15,000 thousand, and equal to 6-month Euribor increased by 1.30% on the bullet credit line equal to Euro 5,000 thousand. The interest rate is subject to variation at each payment date based on the ratio between the Net Financial Indebtedness and EBITDA.

In addition, short and medium-term loans obtained by Agenzia Italia S.p.A., have the following contractual terms:

(Euro thousand)	**Residual amount as of June 30, 2019**	**Expiration**	**Interest rate**
BCC Iccrea	2,603	30/09/2021	*Euribor 3m + 2%*
Banca Valsabbina	169	30/11/2019	*Euribor 3m + 0,90%*
Banca della Marca	507	26/06/2021	*Euribor 3m + 1,40%*
Banca Popolare dell'Alto Adige	658	01/09/2022	*Euribor 6m + 1,60%*
Total loans as of June 30,2019	**3,937**		

The bank loan from Mediocredito Italiano S.p.A., obtained during the financial year 2018, is instead at fixed rate equal to 1.10% on the first tranche of Euro 30,000 thousand, and equal to 1.05% on the second tranche of Euro 20,000 thousand.

A possible unfavorable variation of the reference interest rates, equal to 1%, should produce an additional expense equal to Euro 204 thousand in the second half of 2019.

It is also worth pointing out that the Group pursues a policy for the management of available liquidity by investing it in bank deposits or other low-risk financial assets with a maturity date of less than twelve months. The investment strategy is to hold such securities to maturity.

As regards to the coverage of exchange rate risk, it is worth pointing out that as of the reference date of this report, there are no significant assets or liabilities denominated in currencies different from the Euro and such risk is therefore not present.

Credit risk

The current assets of the Group, with the exception of cash and cash equivalents, are mainly composed by trade receivables for an amount of Euro 95,786 thousand, of which the overdue portion as of June 30, 2019 is equal to Euro 31,823 thousand, of which Euro 3,046 thousand is overdue for over 90 days.

Most of the gross overdue receivables were paid by clients during July and August 2019. As of the date of approval of this report, receivables not yet collected, overdue as of June 30, 2019, amount to Euro 8,246 thousand, of which Euro 2,467 thousand refer to receivables already overdue for over 90 days as of June 30, 2019.

These trade receivables are mainly from banks and other financial institutions, insurance companies and leasing/rental companies, considered highly creditworthy; however, against receivables for which credit risk is possible, we consider appropriate an allowance for doubtful receivables equal to Euro 3,785 thousand.

It is worth pointing out that following the diversification of activities of the Group, the concentration of revenues, and consequently of trade receivables, with any single client has been significantly reduced.

Liquidity risk

Liquidity risk arises when a company is not able to obtain the necessary financial resources to support short term operations.

In order to mitigate the liquidity risk, the majority of the Group's indebtedness is at a medium-long term.

The total amount of liquidity as of June 30, 2019 is Euro 24,756 thousand, and, in the light of the value of net working capital as of June 30, 2019, the management believes that liquidity risk for the Group is limited.

Operating risk and going concern

The technological component is an essential element for the operating activities of the Group; therefore, there is the risk that the possible malfunctioning of the technological infrastructure may cause an interruption of the client service or loss of data. However, the companies of the Group have developed a series of plans, procedures and tools to guarantee business continuity and data security.

Considering the current economic and financial situation, in particular the available reserves, and taking into account the trend of the net working capital, of the cash generation and of the economic and financial situation, the consolidated financial report has been prepared with a perspective of business continuity.

4. *Fair value of assets and liabilities valued with the amortized cost method*

The book value of the following assets and liabilities stated at amortized cost approximates their fair value:

- financial assets at fair value;
- trade receivables;

- other current assets;
- trade and other payables;
- borrowings and other financial liabilities;
- other current liabilities.

All the financial liabilities recorded in the balance sheet as of June 30, 2019 and December 31, 2018 are stated at amortized cost, except earn outs, measured at fair value (category 3). The method for the assessment at fair value of these liabilities is based on the income approach. The expenses deriving from the measurement of these liabilities recorded in the income statement for the financial year ended June 30, 2019, are equal to Euro 218 thousand.

Among financial assets as of June 30, 2019 there are the shares of Cerved Group S.p.A., a security measured at fair value (category 1) through other comprehensive income ("**OCI**") reserve, and other securities related to securitization of non-performing credits, measured at fair value (category 2) through profit and loss.

5. *Segment information*

The segment reporting adopted by the Issuer is by business segments, where the two business segments identified are the Broking and BPO Divisions.

The following tables show the main economic and financial indicators of the two Divisions:

Revenues by Division

	Six months ended	
(euro thousand)	**June 30, 2019**	**June 30, 2018**
Broking Division revenues	41,269	37,191
BPO Division revenues	66,707	48,217
Total revenues	**107,976**	**85,408**

Operating income by Division

	Six months ended	
(euro thousand)	**June 30, 2019**	**June 30, 2018**
Broking Division operating income	12,279	12,121
BPO Division operating income	13,355	11,043
Total operating income	**25,634**	**23,164**
Financial income	2,035	103
Financial expenses	(708)	(861)
Income/(losses) from investments	371	(54)
Income/(Expenses) from financial assets/liabilities	(218)	(820)
Net income before income tax expense	**27,114**	**21,532**

The allocation of the costs of the Issuer and of PP&E S.r.l., not directly attributable to a specific Division, is based on the headcount of the Italian subsidiaries of the Group at the end of the period.

Assets by Division

The allocation of property, plant and equipment shared by both Divisions is based on space occupied.

(euro thousand)	**As of June 30, 2019**	**As of December 31, 2018**
Broking Division assets	67,458	89,846
BPO Division assets	213,050	113,196
Not allocated	13,635	9,359
Cash and cash equivalents	24,756	67,876
Total assets	**318,899**	**280,277**

Liabilities by Division

(euro thousand)	**As of June 30, 2019**	**As of December 31, 2018**
Broking Division liabilities	14,716	18,667
BPO Division liabilities	60,008	43,056
Not allocated	152,205	135,608
Total liabilities	**226,929**	**197,331**

6. *Business combinations*

Acquisition of EW Group

On January 9, 2019 the Group acquired, through its fully owned subsidiary Effelle Ricerche S.r.l., 100% of the ordinary share capital of Eagle & Wise Service S.r.l., a leading company in real estate appraisal services and in real estate technical services for financial institutions, together with its fully owned subsidiaries Eagle NPL Service S.r.l. and Eagle Agency S.r.l. (the "**EW Group**"). The final consideration for the acquisition of the shareholding is equal to Euro 15.1 million, which includes Euro 2.2 million of net cash balance of EW Group as of December 31, 2018.

The initial allocation of the purchase cost relative to the business combination has not been completed as of the date of approval of this half-year report, as we have decided to take advantage of the option provided by paragraph 45 of IFRS 3 which allows the provisional allocation of the purchase cost. The reasons for this decision are linked to the fact that we are still acquiring the required information to define the fair value of the assets, the liabilities and the potential liabilities of the acquired entity. Such allocation will be completed as soon as we have sufficient information to define the fair value of the assets, the liabilities and the potential liabilities of the acquired entity and in any case within one year of the acquisition date.

Therefore, we have determined a provisional goodwill, as reported below, equal to Euro 12,618 thousand which has been allocated to EW Group, considered a cash generating unit ("**CGU**").

The following table presents the book value of the assets and the liabilities of the purchased business at the acquisition date, and the calculation of provisional goodwill:

Cash and cash equivalent	2,175
Non-current assets	188
Current assets	3,287
Non-current liabilities	(406)
Current liabilities	(2,751)
Net assets purchased	**2,493**
Price Paid (A)	15,111
Difference between price paid and net purchased assets	**12,618**
Provisional goodwill	**12,618**
Cash of the entity at the date of the acquisition (B)	2,175
Net cash flow absorbed by the acquisition (A-B)	**12,936**

The costs for the acquisition of EW Group are equal to euro 50 thousand and are recorded in the income statement among the "Service costs".

It is worth pointing out that the revenues generated by EW Group, consolidated starting from January 9, 2019, are equal to Euro 4,928 thousand in the six months ended June 30, 2019.

EW Group, together with the activities carried out by subsidiary Effelle Ricerche S.r.l., is the core of the new Real Estate Services BPO Business Line, which belongs to the BPO Division.

NOTES TO THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NON-CURRENT ASSETS

7. *Intangible assets and property, plant and equipment*

The following table presents the variation of the intangible assets and of property, plant and equipment, in the six months ended June 30, 2019 and 2018.

(euro thousand)	Intangible assets	Property, plant and equipment	Total
Total as of January 1, 2018	**49,611**	**14,683**	**64,294**
Increases	835	1,668	2,503
Other movements	51,371	553	51,924
Depreciation and amortization	(2,183)	(934)	(3,117)
Total as of June 30, 2018	**99,684**	**15,970**	**115,654**
Total as of January 1, 2019	**98,641**	**16,995**	**115,636**
IFRS 16 effect as of January, 1 2019	-	6,928	6,928
Increases	1,164	1,286	2,450
Other movements	12,644	61	12,705
Depreciation and amortization	(3,258)	(2,277)	(5,535)
of which ex IFRS 16	-	*(1,093)*	*(1,093)*
Total as of June 30, 2019	**109,191**	**22,993**	**132,184**

Intangible assets

As of June 30, 2019, the net book value of intangible assets amounts to Euro 109,191 thousand (Euro 98,641 thousand as of December 31, 2018). The additions to intangible assets during the six months ended June 30, 2019 are equal to Euro 1,164 thousand related to software assets (of which Euro 1,092 thousand for the capitalization of staff costs for internal development). Is also worth highlighting that the "Other movements" of the six months mainly refer to the provisional goodwill, related to the acquisition of EW Group., for an amount equal to Euro 12,618 thousand, and for the residual, to the intangible and tangible assets acquired with the entry of EW Group and 65Plus S.r.l. into the consolidation area.

The following table presents the details of intangible assets as of June 30, 2019 and December 31, 2018:

(euro thousand)	As of June 30, 2019	As of December 31, 2018
Development costs	6,324	7,294
Licenses and other rights	1,901	2,999
Goodwill	100,966	88,348
Total intangible assets	**109,191**	**98,641**

The following table presents the details of the goodwill as of June 30, 2018, which changes if compared to December 31, 2018, due to the acquisition of EW Group:

(euro thousand)	**As of June 30, 2019**
Agenzia Italia S.p.A.	45,288
7Pixel S.r.l.	33,374
Eagle&Wise S.r.l.	12,618
Quinservizi S.p.A.	4,343
Centro Processi Assicurativi S.r.l.	2,801
INSECO S.r.l.	2,240
CESAM S.r.l.	172
EuroServizi per i Notai S.r.l.	130
Total goodwill	**100,966**

The Group performs the impairment test of goodwill annually (as of December 31) and when circumstances show impairment indicators of the recoverable amount of goodwill. The impairment test of goodwill is based on the calculation of the value in use. The different assumptions to assess the recoverable amount of the CGUs are described in the consolidated financial report for the year ended December 31, 2018.

During the six months ended June 30, 2019, based on the analysis of the main internal and external sources of information, no impairment indicators of the recoverable amount of the CGUs have emerged.

Property plant and equipment

As of June 30, 2019, the net book value of property, plant and equipment amounts to Euro 22,993 thousand (Euro 16,995 thousand as of December 31, 2018). During the six months ended June 30, 2019, the purchases of property, plant and equipment amount to Euro 1,286 thousand, of which Euro 949 thousand related to plant and machinery, Euro 202 thousand related to other long-term assets and Euro 135 thousand for land and buildings. Is also worth highlighting that the “Other movements” of the six months, equal to Euro 61 thousand, mainly refer to the tangible assets acquired with the entry of EW Group and 65Plus S.r.l. into the consolidation area.

Finally, increases include the accounting, provided by the new IFRS 16 standard, of the right of use of buildings and company vehicles subject to lease contracts signed by the Group. The following table shows the changes in the six months ended 30 June 2019:

(euro thousand)	**Buildings**	**Company vehicles**	**Total**
IFRS 16 effect on the opening shareholders' equity	6,373	555	6,928
Increases of the period	-	3	3
Amortizations	(992)	(101)	(1,093)
As of June 30, 2019	**5,381**	**457**	**5,838**

8. *Investments in associates measured with the equity method*

The item is represented by the shareholding in the joint venture Generale Servizi Amministrativi S.r.l., by the shareholding in the associated company Generale Fiduciaria S.p.A., of which the Issuer holds 10% of the share capital, by the shareholding in associated company Zoorate S.r.l., of which the Group, by means of the subsidiary 7Pixel S.r.l., holds 40% of the share capital, by the shareholding in the joint venture PrestiPro S.r.l., and by the shareholding in associated company Fin.it S.r.l., of which the Group, by means of the subsidiary Agenzia Italia S.p.A., holds 70% of the share capital, but over which, based on the shareholders' agreement, it currently does not exercise control.

The following table shows the changes in this item for the six months ended June 30, 2019:

(Euro thousand)	**As of December 31, 2018**	**Net income of the year attributable to the Group**	**Other**	**As of June 30, 2019**
65Plus S.r.l.	196	-	(196)	-
Fin.it S.r.l.	274	139	-	413
Generale Fiduciaria S.p.A.	82	-	-	82
GSA S.r.l.	449	145	-	594
Prestipro S.r.l.	39	16	-	55
Zoorate S.r.l.	514	73	-	587
Total	**1,554**	**373**	**(196)**	**1,731**

During the six months ended June 30, 2019, the income deriving from the valuation with the equity method of the investments in associated companies and joint ventures was equal to Euro 373 thousand; this value is recognized in the income statement as "Incomes/(Losses) from investments".

The item "Other" refers to the reversal of the participation in 65Plus S.r.l., as the company, starting from January 1, 2019, is consolidated on a line-by-line basis following the acquisition of control by the Issuer.

9. *Financial assets at fair value*

Financial assets at fair value are equal to Euro 50,677 thousand as of June 30, 2019 (Euro 10,264 thousand as of December 31, 2018), and are composed of n. 6,115,000 ordinary shares of Cerved Group S.p.A., purchased starting from the financial year ended December 31, 2018, for an amount equal to Euro 47,647 thousand (of which Euro 40,778 thousand purchased during the first half 2019).

The item also includes quotas of a mutual fund for Euro 561 thousand, and other asset based securities ("**ABS**") for Euro 2,469 thousand, related to securitization of non-performing credits.

We specify that the mutual fund quotas and the Cerved shares are measured at fair value through OCI, while the other ABS are measured at fair value through profit and loss.

CURRENT ASSETS

10. *Cash and cash equivalents*

The item includes cash in hand and bank deposits. There is no obligation or restriction on available cash.

The following table presents the net financial position, as defined in the CONSOB communication No. DEM/6064293 dated July 28, 2006, as of June 30, 2019 and December 31, 2018:

(euro thousand)	As of June 30, 2019	As of December 31, 2018	Change	%
A. Cash and cash equivalents	24,756	67,876	(43,120)	-63.5%
B. Other cash equivalents	-	-	-	N/A
C. Financial assets held to maturity or for trading	3,030	3,395	(365)	-10.8%
D. Liquidity (A) + (B) + (C)	**27,786**	**71,271**	**(43,485)**	**-61.0%**
E. Current financial receivables	**2,333**	**1,379**	**954**	**69.2%**
F. Current bank borrowings	(16,525)	(813)	(15,712)	1932.6%
G. Current portion of long-term borrowings	(12,949)	(56,572)	43,623	-77.1%
H. Other short-term borrowings	(2,413)	(1,197)	(1,216)	101.6%
I. Current indebteness (F) + (G) + (H)	**(31,887)**	**(58,582)**	**26,695**	**-45.6%**
J. Net current financial position (I) + (E) + (D)	**(1,768)**	**14,068**	**(15,836)**	**-112.6%**
K. Non-current portion of long-term bank borrowings	(74,210)	(37,220)	(36,990)	99.4%
L. Bonds issued	-	-	-	N/A
M. Other non-current financial liabilities	(42,348)	(38,418)	(3,930)	10.2%
N. Non-current Indebteness (K) + (L) + (M)	**(116,558)**	**(75,638)**	**(40,920)**	**54.1%**
O. Net financial position (J) + (N)	**(118,326)**	**(61,570)**	**(56,756)**	**92.2%**

The item "Current financial receivables" is composed by the receivable from Fin.it S.r.l., outside the full consolidation perimeter as not controlled by the Group, regarding the cash pooling activity of Agenzia Italia S.p.A..

The item "Other non-current financial liabilities" is represented by the estimated liability for the exercise of the put/call option on the residual 50% stake of Agenzia Italia S.p.A. for Euro 38,627 thousand, and the non-current leasing liabilities deriving from the adoption of the new IFRS 16 standard for Euro 3,721 thousand.

11. *Trade receivables*

The following table presents the situation of trade receivables as of June 30, 2019 and December 31, 2018:

(euro thousand)	As of June 30, 2019	As of December 31, 2018
Trade receivables	99,571	78,711
(allowance for doubtful receivables)	(3,785)	(3,556)
Total trade receivables	**95,786**	**75,155**

Trade receivables refer to ordinary sales to national customers of the banking, financial, insurance and leasing sector, as well as, for what concerns 7Pixel S.r.l., to e-commerce operators.

The following table presents the variation and the situation of the provision for bad debts as of and for the six months ended June 30, 2019:

(euro thousand)	As of December 31, 2018	Change in the scope of consolidation	Accrual	Utilization	As of June 30, 2019
Provision for bad debts	3,556	22	219	(12)	3,785
Total	**3,556**	**22**	**219**	**(12)**	**3,785**

The accrual has been recorded in the "Other operating costs" item of the income statement.

The provision for bad debts recorded by the Group is appropriate, also taking into account the requirements of IFRS 9.

12. *Tax receivables*

Tax receivables include advance payments to the tax authorities which can be collected or offset in the short term in relation to income taxes. As of June 30, 2019, tax receivables amount to Euro 6,584 thousand and include the advances on IRES and IRAP and the tax receivable related to the reduced taxation regime deriving from the utilization of intangible assets by some companies (so called "**Patent Box**"), equal to Euro 2,497 thousand.

13. *Other current assets*

The following table presents the details of the item as of June 30, 2019 and December 31, 2018:

(euro thousand)	As of June 30, 2019	As of December 31, 2018
Accruals and prepayments	1,496	1,063
Advances to suppliers	295	344
Others	1,027	826
VAT receivables	1,400	1,579
Receivables from associated companies	2,344	1,395
Total other current assets	**6,562**	**5,207**

The increase of the item "Accruals and prepayments" if compared to December 31, 2018, is mainly due to advance payments of yearly fees for the rental of software, for telephone services and the maintenance of the hardware of the Group.

Receivables from associated companies are mainly composed of the receivable from Fin.it S.r.l. as part of the cash pooling activity managed by Agenzia Italia S.p.A..

NON-CURRENT LIABILITIES

14. *Long-term debts and other financial liabilities*

The following table presents the details of the item as of June 30, 2019 and December 31, 2018:

(euro thousand)	**As of June 30, 2019**	**As of December 31, 2018**
Bank borrowings	74,210	37,220
1 - 5 years	*61,830*	*22,300*
More than 5 years	*12,380*	*14,920*
Other non-current financial liabilities	42,348	38,418
Estimated liability put/call option Agenzia Italia S.p.A.	*38,627*	*38,418*
Leasing liabilities (IFRS 16)	*3,721*	*-*
Total long-term debts and other non-current financial liabilities	**116,558**	**37,220**

The bank borrowings, for the non-current portion, mainly refer to the loans obtained during 2018, from Mediocredito Italiano S.p.A., for an amount equal to Euro 40,269 thousand, from Crédit Agricole Cariparma S.p.A., for an amount equal to Euro 15,725 thousand, and Banca Popolare di Milano S.p.A., for an amount equal to Euro 16,041 thousand. Such item also includes the non-current portion of the loans obtained by Agenzia Italia S.p.A., for an amount equal to 2,175 thousand.

The increase of non-current bank borrowings is mainly due to the restoration of the classification of the non-current portion of the loan obtained from Mediocredito Italiano S.p.A. among non-current financial liabilities, following the receipt of the waiver related to the non-compliance with the covenant concerning the ratio between consolidated gross financial indebtedness and shareholders' equity as of December 31, 2018.

The repayment schedule is presented in the following table:

(euro thousand)	**As of June 30, 2019**	**As of December 31, 2018**
- between one and two years	12,841	6,284
- between two and three years	11,840	6,067
- between three and four years	11,638	4,868
- between four and five years	25,511	5,081
- more than five years	12,380	14,920
Total	**74,210**	**37,220**

With regard to the bank loan from Mediocredito Italiano S.p.A., obtained during financial year 2018, it carries a yearly fixed rate equal to 1.10% on the first tranche of Euro 30,000 thousand, and equal to 1.05% on the second tranche of Euro 20,000 thousand.

The interest rate on the bank loan from Crédit Agricole Cariparma S.p.A., obtained on June 28, 2018, is equal to 3-month Euribor increased by a spread equal to 0.90%, and is subject to variation at each payment date based on the ratio between the Net Financial Indebtedness and EBITDA.

The interest rate on the loan from Banca Popolare di Milano S.p.A., obtained on September 27, 2018, is equal to 6-month Euribor increased by 1.10% on the amortizing credit line equal to Euro 15,000 thousand, and equal to 6-month Euribor increased by 1.30% on the bullet credit line equal to Euro 5,000 thousand. The interest rate is subject to variation at each payment date based on the ratio between the Net Financial Indebtedness and EBITDA.

Such interest rates are representative of the actual interest rates paid. The book value of the financial liabilities represents their fair value as of the date of the financial statement.

As regards the loan obtained from Crédit Agricole Cariparma S.p.A. during the six months ended June 30, 2018, the Group is obliged to comply with the following consolidated financial covenant: ratio between Net Financial Position and EBITDA: (i) not over 2.50, with reference to the consolidated annual report ended December 31 of each year; (ii) not over 2.75, with reference to the consolidated half year report ended June 30 of each year.

As regard the loan obtained from Banca Popolare di Milano S.p.A., the Group is obliged to comply with the following consolidated financial covenant, as resulting from the consolidated financial statement for each full and half year, clarifying that the economic data are to be considered on an yearly basis: ratio between Net Financial Position and EBITDA not over 3.0.

As regard the loan obtained from Mediocredito Italiano S.p.A., the Group is obliged to comply with the following consolidated financial covenants, as resulting from the consolidated financial statement for each full and half year: i) ratio between Net Financial Position and EBITDA not over 2.5; ii) ratio between Gross Financial Indebtedness and Equity not over 1.5; iii) distribution of earnings and/or retained earnings not over 50% in presence of a ratio between consolidated net financial indebtedness and EBITDA higher than 2.0.

Financial covenants related to the loans obtained from Crédit Agricole Cariparma S.p.A. and Banca Popolare di Milano S.p.A., having a half-yearly basis, have been complied with as of June 30, 2019.

In addition, the item also includes the various loans obtained by Agenzia Italia S.p.A., for which the residual amount and the main contractual conditions are shown below:

(Euro thousand)	**Residual amount as of June 30, 2019**	**Expiration**	**Interest rate**
BCC Iccrea	2,603	9/30/2021	*Euribor 3m + 2%*
Banca Valsabbina	169	11/30/2019	*Euribor 3m + 0,90%*
Banca della Marca	507	6/26/2021	*Euribor 3m + 1,40%*
Banca Popolare dell'Alto Adige	658	9/1/2022	*Euribor 6m + 1,60%*
Total loans as of June 30,2019	**3,937**		

Finally, the other non-current financial liabilities are represented by the estimated financial liability for the exercise of the put/call option for the residual participation of 50% of Agenzia Italia S.p.A., for Euro 38,627 thousand, and the leasing liabilities deriving from the adoption of the new IFRS 16 standard.

15. *Provisions for risks and charges*

The following table presents the variation and the situation of the provisions for risks and charges during the six months ended June 30, 2019:

(euro thousand)	As of December 31, 2018	Accrual	Utilization	As of June 30, 2019
Provision for early repayment of mortgages	95	-	(35)	60
Other provisions for risks	1,702	-	(132)	1,570
Total	**1,797**	**-**	**(167)**	**1,630**

The provision for early repayment of mortgages includes the estimation of possible repayment of commissions received for mortgages intermediated in the year ended at the financial statements date, if particular clauses of the agreements with the banks provide for the reversal of the fees in case of loan prepayment or borrower default.

The "Other provisions for risks" include, for Euro 875 thousand, the estimation of the liability deriving from the probable charging by some suppliers of the Group of additional costs compared to the previously foreseeable amount, related to professional services supplied to the Mortgage BPO Business Line. The management considers it appropriate to allot those amounts since, based on the agreements with these suppliers, the Group must bear the direct costs incurred by the suppliers in the provision of these services. The item also includes the measurement of the liability considered probable related to labor claims, for Euro 676 thousand.

The utilizations of the period mainly refer to the payment of liabilities related to disputes with certain employees of a Group company, accrued during the financial year ended December 31, 2018.

16. *Defined benefit program liabilities*

The following table presents the variation and the item during the six months ended June 30, 2019:

(euro thousand)	As of December 31, 2018	Change in the scope of consolidation	Accrual	Utilization	As of June 30, 2019
Employee termination benefits	11,699	495	1,271	(427)	13,038
Directors' termination benefits	377	-	28	-	405
Total	**12,076**	**495**	**1,299**	**(427)**	**13,443**

17. *Deferred tax liabilities*

The item is equal to 9,033 thousand as of June 30, 2019 and includes the estimation of the income taxes of the period for an amount equal to Euro 9,789 thousand, deferred tax liabilities for an amount equal to Euro 2,014 thousand, partially offset by deferred tax assets for Euro 2,770 thousand.

The changes of the item as of June 30, 2019 are mainly due to the estimation of the income taxes of the period, calculated based on the best estimate of the expected tax rate for the full financial year.

18. *Other non-current liabilities*

The item is equal to Euro 2,334 thousand as of June 30, 2019 (Euro 1,661 as of December 31, 2018), and represents the liabilities for the estimated consideration to be paid for the exercise of the put/call option on the residual 49% stake of subsidiary Mikono S.r.l., exercisable during financial year 2021, equal to Euro 111 thousand, for the estimated consideration for the future acquisition, upon the approval of the 2020 annual report, of the residual 60% of Zoorate S.r.l., equal to Euro

1,549 thousand, and the liability to associated parties for capital contributions in relation to a partnership aimed at the subscription of different securities linked to the securitizations of non-performing credits, for Euro 665 thousand.

CURRENT LIABILITIES

19. *Short-term debts and other financial liabilities*

Short-term borrowings amount to Euro 31,887 thousand as of June 30, 2019 (Euro 58,582 thousand as of December 31, 2018) and include the current portion of medium-long term bank borrowings for Euro 12,949 thousand, the current portion of the leasing liabilities (IFRS 16) for Euro 2,413 thousand and the liabilities related to the short-term loans and credit lines for an amount equal to Euro 16,525 thousand.

20. *Trade and other payables*

Trade and other payables, equal to Euro 25,398 thousand (Euro 24,698 thousand as of December 31, 2018) include the payables to suppliers for the purchase of goods and services.

There are no trade payables due over 12 months.

21. *Tax payables*

The item mainly includes the liability for IRES and IRAP, for an amount equal to Euro 1,242 thousand.

22. *Other current liabilities*

The following table presents the situation of the item as of June 30, 2019 and December 31, 2018:

(euro thousand)	**As of June 30, 2019**	**As of December 31, 2018**
Liabilities to personnel	10,737	9,894
Social security liabilities	3,675	3,377
Social security liabilities on behalf of employees	2,826	2,750
Accruals	1,144	1,044
VAT liabilities	1,583	488
Other liabilities	5,145	2,577
Total other current liabilities	**25,110**	**20,130**

The increase of the items “Liabilities to personnel” and “Social security liabilities” is mainly due to the growth of the personnel employed, compared to December 31, 2018, partially attributable to the entry of EW Group into the consolidation area.

The increase of the “Other liabilities” item is mainly attributable to the portion of the consideration still due for the acquisition of EW Group, equal to Euro 2,250 thousand. Such item also includes liabilities to clients of Insurance BPO for advances received for claim settlement.

23. *Shareholders’ equity*

For an analysis of the changes in shareholder’s equity refer to the relevant report.

On April 29, 2019, the shareholders' meeting resolved a dividend distribution of Euro 0.30 per share. This dividend was distributed with ex-dividend date May 6, 2019, record date May 7, 2019 and payment date May 8, 2019.

Following this resolution, the Issuer paid dividends for a total amount of Euro 11,292 thousand.

As of June 30, 2019, Company's share capital is composed by 40,000,000 shares, with no nominal value.

24. *Purchase and sale of own shares*

Over the six months ended June 30, 2019, the Issuer purchased 176,278 own shares, equal to 0.441% of the share capital, for a total value equal to Euro 2,890 thousand.

As of June 30, 2019, the Issuer hold a total of 2,360,254 own shares, equal to 5.901% of ordinary share capital, for a total cost of Euro 16,014 thousand. Being the shares without nominal value, the purchase cost is deducted from the share capital for an amount implicitly corresponding to the nominal value, equal to Euro 60 thousand as of June 30, 2019, and from available reserves for an amount equal to the remaining part of the purchase cost.

As of June 30, 2019, there are 37,639,746 outstanding shares, equal to 94.91% of share capital.

25. *Stock option plans*

Personnel costs for the six months ended June 30, 2019 include Euro 539 thousand related to the Group stock option plan. In the six months ended June 30, 2018, personnel costs related to the Group stock option plan amount to Euro 327 thousand, accrued starting from March 12, 2018.

As of June 30, 2019, the outstanding stock options are detailed as follows:

Date of shareholders' meeting resolution	Date of assignment	Maturity date	Expiry date	# options	Strike price	Value of the option
September 25, 2014	October 1, 2014	October 1, 2017	September 30, 2020	543,000	4.976	0.86
April 27, 2017	March 12, 2018	March 12, 2021	March 11, 2024	1,231,350	13.549	2.61
			Total options	**1,774,350**		

INCOME STATEMENT

26. *Revenues*

The following table presents the details of the item during the six months ended June 30, 2019 and 2018:

	Six months ended	
(euro thousand)	**June 30, 2019**	**June 30, 2018**
Broking Division revenues	41,269	37,191
BPO Division revenues	66,707	48,217
Total revenues	**107,976**	**85,408**

For further details about the revenues please refer to the interim directors' report on operations.

27. *Other income*

The item, equal to Euro 1,886 thousand for six months ended June 30, 2019, contains mainly income for the reimbursement of postage and courier expenses of the BPO Division.

28. *Services costs*

Services costs amount to Euro 42,274 thousand for the six months ended June 30, 2019 (Euro 30,889 thousand for the six months ended June 30, 2018) and include Euro 15,527 thousand for marketing expenses (Euro 11,399 thousand for the six months ended June 30, 2018), Euro 11,362 thousand for external services in the valuation and notary coordination area (Euro 7,769 thousand for the six months ended June 30, 2018), Euro 4,035 thousand for technical, legal and administrative consultancy (Euro 3,279 thousand for the six months ended June 30, 2018), Euro 2,573 thousand for commission payout mainly related to the agents of the Money360 network (Euro 2,137 thousand for the six months ended June 30, 2018), Euro 1,753 thousand for rental expenses (Euro 2,074 thousand for the six months ended June 30, 2018), Euro 1,518 thousand for postal and courier costs (Euro 1,292 thousand for the six months ended June 30, 2018) and Euro 1,063 thousand for IT services and technological support costs (Euro 568 thousand for the six months ended June 30, 2018).

29. *Personnel costs*

Personnel costs amount to Euro 34,220 thousand for the six months ended June 30, 2019 (Euro 27,564 thousand for the six months ended June 30, 2018) and mainly include employee wages and salaries equal to Euro 23,301 thousand for the six months ended June 30, 2019 (Euro 19,288 thousand for the six months ended June 30, 2018) and social security contributions equal to Euro 6,330 thousand (Euro 4,992 thousand for the six months ended June 30, 2018).

The increase if compared to the same period of the previous financial year is mainly due to the growth of personnel headcount and compensation, related to the growth of the operations, to the entry of EW Group and 65Plus S.r.l. into the consolidation area, and to the full contribution of Agenzia Italia S.p.A., which entered into the consolidation area starting from April 1, 2018.

Besides, we highlight that in the six months ended June 30, 2019 there are costs related to the stock option plan for Euro 539 thousand, for which please refer to note 25 (Euro 327 thousand in the six months ended June 30, 2018).

30. *Other operating costs*

The item "Other operating costs", equal to Euro 3,312 thousand (Euro 2,802 thousand in the six months ended June 30, 2018), includes Euro 2,004 thousand (Euro 1,721 thousand for the six months ended June 30, 2018) relative to non-deductible VAT costs.

31. *Depreciation and amortization*

The following table presents the details of the item for the six months ended June 30, 2019 and 2018:

(euro thousand)	Six months ended June 30, 2019	June 30, 2018
Amortization of intangible assets	(3,258)	(2,183)
Depreciation of property, plant and equipment	(2,277)	(934)
of which IFRS 16 effect	*(1,093)*	-
Total depreciation and amortization	**(5,535)**	**(3,117)**

The increase of the amortization of intangible assets is mainly attributable to the higher value of the software platform recognized through the consolidation of Agenzia Italia S.p.A..

The increase of the amortization of property, plant and equipment is due to the adoption of the new IFRS 16 standard, and the enlargement of the consolidation area.

32.*Financial incomes and expenses*

Financial incomes and expenses for the six months ended June 30, 2019, mainly includes the dividend received from Cerved Group S.p.A. for Euro 1,865 thousand, the income deriving from the evaluation with the equity method of non-controlled participations for Euro 371 thousand, the interest expense on the outstanding loans for Euro 462 thousand, and to the expenses deriving from the evaluation of the financial assets and liabilities for Euro 261 thousand.

33.*Income tax expense*

Income taxes in the six months ended June 30, 2019 are accounted based on the best estimate of the effective tax rate for the entire financial year. The estimated tax rate for the financial year 2019 is equal to 24.8% (22.9% in 2018).

34.*Earnings per share*

Earnings per share for the six months ended June 30, 2019, equal to Euro 0.53, have been computed by dividing the net income for the period attributable to the shareholders of the Issuer (Euro 20,149 thousand) by the weighted average number of Issuer shares outstanding during the six months ended June 30, 2019 (37,729,413 shares).

The diluted earnings per share for the six months ended June 30, 2019, equal to Euro 0.51, are determined considering the average number of potential shares with dilutive effect during the half year ended June 30, 2019, which are represented by stock options assigned to employees of the Group with a strike price below the official price of the shares of the Issuer. The average number of those financial instruments in the half year is equal to 1,814,805.

35.*Potential liabilities*

We do not report any potential liabilities, except those which gave origin to the provisions in the item "Provisions for risks and charges", described above.

36.*Related parties*

Related party transactions, including intra-group transactions, are part of the ordinary business operations of the Group, and do not include any unusual or atypical transactions.

Key management compensation

The overall compensation of managers with strategic responsibilities, i.e. those persons having authority and responsibility for planning, directing and controlling directly or indirectly the activities of the Group, including the directors, amounts to Euro 728 thousand in the six months ended June 30, 2019 (Euro 662 thousand in the six months ended June 30, 2018). The increase compared to the six months ended June 30, 2018 is due to the full contribution of stock option plan costs, accrued starting from March 12, 2018.

As of the date of approval of this interim consolidated financial report, the directors of the Company hold, directly or indirectly, 32.95% of the share capital of the Issuer, while managers with strategic responsibilities, directors and members of the internal control committee together hold 33.35% of the share capital of the Issuer.

37. *Seasonality*

The Group is subject to the seasonality trends of the market for mortgage and consumer credit with regard to the Mortgage Broking and Mortgage BPO Business Lines. Typically, compared with our total monthly average revenues, revenues in July and December are generally higher, and revenues in January and August are lower.

As regards the E-Commerce Price Comparison Business Line, the trend of revenues presents a seasonal peak in the fourth quarter of the year.

38. *Events and significant non-recurring operations and positions or transactions deriving from atypical or unusual operations*

In the six months ended June 30, 2019, in addition to the above-described transactions, there are no further significant non-recurring events or transactions and there are no positions or transactions deriving from atypical or unusual operations.

39. *Subsequent events*

Purchase of own shares

Pursuant to the share buyback program within the limits and with the purposes of the authorization granted by the shareholders' meeting of April 29, 2019, after June 30, 2019, the Group purchased 95,976 own shares, equal to 0.240% of the share capital.

In addition, after June 30, 2019, following the exercise of stock options by employees of the Group, the Issuer sold a total of 40,000 own shares in portfolio, equal to 0.100% of share capital.

As of the date of approval of this consolidated financial report the Issuer holds 2,416,230 own shares, equal to 6.041% of share capital, for a total cost equal to Euro 16,839 thousand.

Strengthening the Broking Division

On July 8, 2019, Dr. Alessio Santarelli was hired as a new manager with strategic responsibilities. Dr. Santarelli takes on the role of General Manager for traditional businesses (mortgages, loans, insurance, tariffs, etc.) of the Broking Division, with the aim of strengthening and accelerating their development. Upon meeting prescribed regulatory requirements, Dr. Santarelli will also join the boards of directors of the companies operating within this perimeter. Dr. Santarelli reports to Marco Pescarmona, who will retain responsibility for supervising the activities of the Broking Division.

Reverse merger between Eagle & Wise Service S.r.l. and Effelle Ricerche S.r.l.

On July 9, 2019, subsidiary Eagle & Wise Service S.r.l. incorporated, through a reverse merger, its parent company Effelle Ricerche S.r.l., through the cancellation without exchange of all its shares, as the merged company wholly owned the acquiring company. For accounting and tax purposes, the merger is effective retroactively from January 1, 2019.

Acquisition of Due S.r.l.

On July 26, 2019, the Group, through subsidiary Centro Servizi Asset Management S.r.l., acquired 100% of the share capital of the company Due S.r.l., for a total amount of approximately Euro 500 thousand, adjusted for the net financial position of the company at the acquisition date. The company operates in the sector of the creation and supply of software platforms, and holds a 25% stake of the share capital of the company Mikono S.r.l.. As a result of this transaction, the Group has reached a 76% stake of the share capital of Mikono S.r.l..

Disposal of 10% of the company Generale Servizi Amministrativi S.r.l.

On July 10, 2019, the Issuer sold a 10% stake of the share capital of Generale Servizi Amministrativi S.r.l., for an amount of Euro 80 thousand. As a result of this operation, the shareholding held in the company drops to 40% of the share capital.

Acquisition of 30% of the company Generale Fiduciaria S.p.A.

On July 15, 2019, the Issuer acquired 8.86% of the ordinary share capital of Generale Fiduciaria S.p.A., for an amount equal to Euro 80 thousand. Also on July 15, 2019, the Issuer subscribed a share capital increase of Generale Fiduciaria S.p.A., paying a total amount, including share premium, of Euro 319 thousand. Following these transactions, the Issuer, which previously held 10% of the ordinary share capital, reaches a participations of 40% of the ordinary share capital of Generale Fiduciaria S.p.A..

40. *Directors' approval*

This report was approved by the Board of Directors for publication on September 4, 2019.

4. DECLARATION PURSUANT TO ART. 154-BIS PAR. 5 OF LAW DECREE 58/1998

The undersigned Marco Pescarmona and Francesco Masciandaro, respectively chairman of the board of directors and manager in charge of preparing the accounting documents of Gruppo MutuiOnline S.p.A., hereby certify, taking into account the provision of art. 154-bis, paragraph 3 and 4, of Law Decree n. 58 dated February 24, 1998:

- the adequacy in relation to the features of the company; and
- the actual application of the administrative and accounting procedures for the preparation of the consolidated interim financial report as of and for the six months ended June 30, 2019.

In this respect no relevant issues have arisen, such as anomalies or problems that could alter the information presented in this document or such modify the judgment of its readers.

Besides, we certify that the consolidated interim financial report:

1. corresponds to the results of the accounting books and book entries;
2. is prepared in accordance with IFRS, understood as the International Financial Reporting Standards, the International Accounting Standards ("IAS"), the interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"), previously denominated Standing Interpretations Committee ("SIC"), as adopted by the European Commission as of June 30, 2019 and published in the EU regulations as of this date;
3. as far as we know, is appropriate to give a true and fair representation of the financial and economic situation of the Issuer and of all the companies included in the scope of consolidation;
4. the interim directors' report on operations contains information about the significant events of the first half of the year and their impact on the consolidated interim financial report, together with a description of the main risks and uncertainties for the second half of the year.

Milan, September 4, 2019

For the Board of Directors
The Chairman
(Ing. Marco Pescarmona)

The Manager in charge of preparing the accounting statements
(Dott. Francesco Masciandaro)

Gruppo MutuiOnline S.p.A.

Review report on the interim condensed consolidated financial statements

(Translation from the original Italian text)

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Review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Gruppo MutuiOnline S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the statement of financial position, the statements of income, the statement of comprehensive income, the statement of changes in equity and cash flows and the related explanatory notes of Gruppo MutuiOnline S.p.A. and its subsidiaries (the "MutuiOnline Group") as of 30 June 2019. The Directors of MutuiOnline S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim 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 on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of MutuiOnline Group as of June 30, 2019 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, September 5 2019

EY S.p.A.
Signed by: Lorenzo Secchi, Partner

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

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