



CONSOLIDATED HALF YEAR FINANCIAL REPORT

**SIX MONTHS ENDED JUNE 30, 2020
(FIRST HALF 2020)**

Prepared according to LAS 34

INDEX

1. GOVERNING BODIES AND OFFICERS	3
2. INTERIM DIRECTORS' REPORT ON OPERATIONS	4
2.1. Introduction	4
2.2. Organizational structure.....	4
2.3. Information about the profitability of the Group.....	6
2.3.1. Revenues	9
2.3.2. EBITDA	9
2.3.3. Operating income (EBIT)	10
2.3.4. Financial Revenues/Expenses	11
2.3.5. Taxes.....	11
2.3.6. Net income of the period	11
2.4. Information about financial resources of the Group	11
2.4.1. Current and non-current indebtedness.....	12
2.4.2. Capital resources, investments and description of the cash flows.....	12
2.4.3. Changes in net working capital	14
2.5. Report on foreseeable evolution.....	14
2.5.1. Evolution of the Italian residential mortgage market.....	14
2.5.2. Broking Division.....	15
2.5.3. BPO Division.....	16
2.6. Other information	18
3. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE SIX MONTHS ENDED JUNE 30, 2020.....	20
3.1. Consolidated statement of financial position as of June 30, 2020 and December 31, 2019.....	20
3.2. Consolidated statement of income for the six months ended June 30, 2020 and 2019	21
3.3. Consolidated statement of comprehensive income for the six months ended June 30, 2020 and 2019.....	22
3.4. Consolidated statement of cash flows for the six months ended June 30, 2020 and 2019.....	23
3.5. Consolidated statement of changes in equity as of and for the six months ended June 30, 2020 and 2019	24
3.6. Explanatory notes	25
4. DECLARATION PURSUANT TO ART. 154-BIS PAR. 5 OF LAW DECREE 58/1998....	48
5. AUDITORS' REPORT ON THE REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS.....	49

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
	Giulia Bianchi Frangipane ⁽⁴⁾
	Klaus Gummerer ^{(4) (6)}
	Valeria Lattuada ⁽⁴⁾
	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
	Giulia Bianchi Frangipane
	Marco Zampetti

Remuneration and Share Incentive Committee

Chairman	Anna Maria Artoni
	Valeria Lattuada
	Matteo De Brabant

Committee for Transactions with Related Parties

Chairman	Valeria Lattuada
	Anna Maria Artoni
	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, 2020.

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:

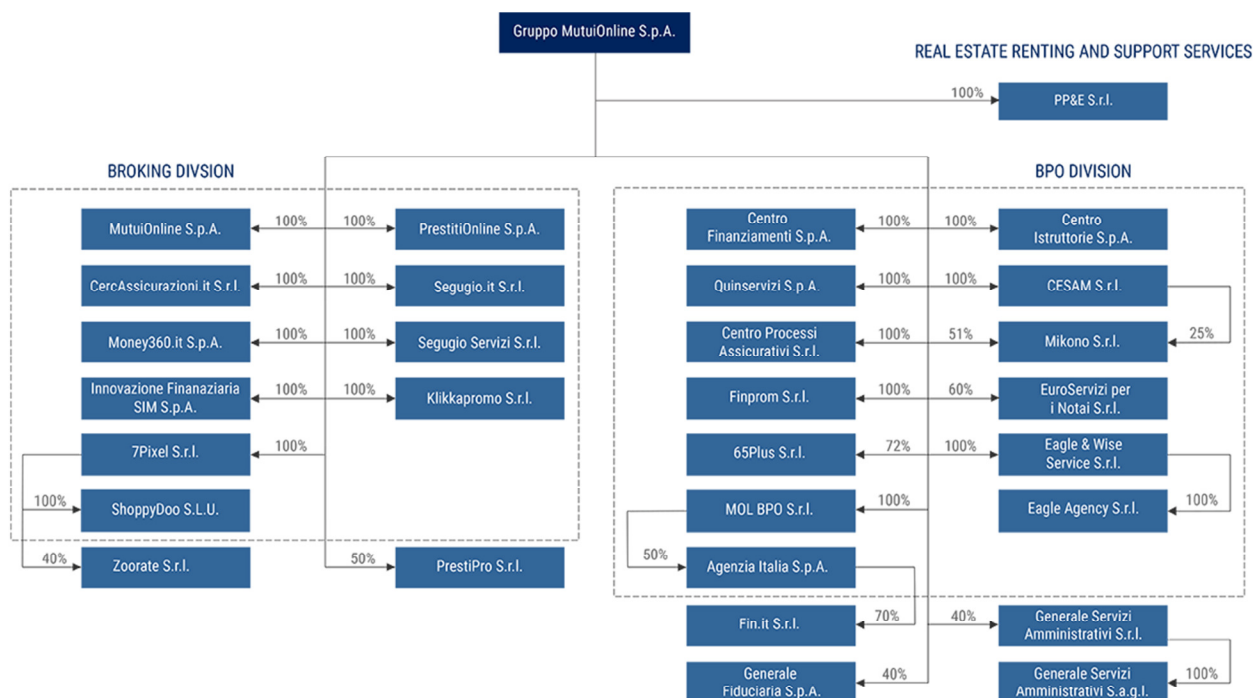
- MutuiOnline S.p.A., Money360.it S.p.A, PrestitiOnline S.p.A., CercAssicurazioni.it S.r.l., Segugio.it S.r.l., Segugio Servizi S.r.l., 7Pixel S.r.l., ShoppuDoo S.L.U. (a company with registered office in Spain), Klikkapromo S.r.l. and Innovazione Finanziaria SIM S.p.A.: companies operating in the market 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., Centro Processi Assicurativi S.r.l., EuroServizi per i Notai S.r.l., MOL BPO S.r.l., Agenzia Italia S.p.A., 65Plus S.r.l., Eagle & Wise Services 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 processes outsourcing services for financial institutions; 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.

All the above-mentioned companies are fully controlled by the Issuer, with the exception of EuroServizi per i Notai S.r.l. (controlled with a 60% stake), Agenzia Italia S.p.A. (controlled with a 50% stake), and Mikono S.r.l. (controlled with a 76% stake).

In addition, the Issuer owns 40% of the share capital of Generale Servizi Amministrativi S.r.l., 40% of the share capital of Zoorate S.r.l. through subsidiary 7Pixel S.r.l., 50% of the share capital of the joint venture PrestiPro S.r.l., 40% of the share capital of Generale Fiduciaria S.p.A. and 70% of the share capital of Fin.it S.r.l. through subsidiary Agenzia Italia S.p.A..

On January 21, 2020, following the registration of the merger deed, the process regarding the merger by incorporation of IN.SE.CO. S.r.l. and Eagle NPL S.r.l. into Quinservizi S.p.A., was completed, with accounting effect since January 1, 2020.

Therefore, the consolidation area as of June 30, 2020 is the following.



Broking Division

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:

- Mortgage Broking:** broking mortgage loans mainly through remote channels (www.mutuionline.it website) and through a network of field agents;
- Consumer Loan Broking:** broking consumer loans (prevalently personal loans) through remote channels (www.prestitionline.it website);
- Insurance Broking:** broking insurance products, mainly motor third party liability and other motor insurance products through remote channels (www.cercassicurazioni.it website);
- 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 products, 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 (broadband, 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) **Loans BPO:** provides application processing and portfolio management services for salary/pension guaranteed loans, and for business loans to companies, also assisted by a guarantee from the State;
- (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, 2020. The income statement and cash flow data for the six months ended June 30, 2020 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, 2020 and 2019, together with the percentage of each item on Group revenues.

<i>(euro thousand)</i>	Six months ended				
	June 30, 2020	(a)	June 30, 2019	(a)	Change %
Revenues	120,096	100.0%	107,976	100.0%	11.2%
Other income	1,909	1.6%	1,886	1.7%	1.2%
Capitalization of internal costs	1,935	1.6%	1,092	1.0%	77.2%
Services costs	(49,329)	-41.1%	(42,274)	-39.2%	16.7%
Personnel costs	(35,664)	-29.7%	(34,220)	-31.7%	4.2%
Other operating costs	(4,661)	-3.9%	(3,312)	-3.1%	40.7%
Depreciation and amortization	(6,700)	-5.6%	(5,514)	-5.1%	21.5%
Operating income	27,586	23.0%	25,634	23.7%	7.6%
Financial income	169	0.1%	2,035	1.9%	-91.7%
Financial expenses	(667)	-0.6%	(665)	-0.6%	0.3%
Income/(losses) from participations	(53)	0.0%	371	0.3%	N/A
Income/(losses) from financial assets/liabilities	(183)	-0.2%	(261)	-0.2%	-29.9%
Net income before income tax expense	26,852	22.4%	27,114	25.1%	-1.0%
Income tax expense	(6,444)	-5.4%	(6,724)	-6.2%	-4.2%
Net income	20,408	17.0%	20,390	18.9%	0.1%

(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:

<i>(euro thousand)</i>	Three months ended				
	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Revenues	61,954	58,142	63,332	48,627	54,358
Other income	1,069	840	1,145	1,179	980
Capitalization of internal costs	1,166	769	585	540	927
Services costs	(24,389)	(24,940)	(24,718)	(18,947)	(20,856)
Personnel costs	(17,971)	(17,693)	(18,855)	(15,579)	(17,723)
Other operating costs	(2,150)	(2,511)	(2,429)	(2,012)	(1,552)
Depreciation and amortization	(3,257)	(3,443)	(4,967)	(2,763)	(2,873)
Operating income	16,422	11,164	14,093	11,045	13,261
Financial income	88	81	15	49	1,923
Financial expenses	(315)	(352)	(343)	(305)	(328)
Income/(Losses) from participations	(92)	39	(115)	(150)	311
Income/(Losses) from financial assets/liabilities	(237)	54	1,288	(518)	(152)
Net income before income tax expense	15,866	10,986	14,938	10,121	15,015
Income tax expense	(3,379)	(3,065)	(2,294)	(2,510)	(3,606)
Net income	12,487	7,921	12,644	7,611	11,409

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, 2020 and 2019:

<i>(euro thousand)</i>	Six months ended				
	June 30, 2020	(a)	June 30, 2019	(a)	Change %
Mortgage Broking	20,757	17.3%	18,346	17.0%	13.1%
Consumer Loan Broking	2,089	1.7%	3,181	2.9%	-34.3%
Insurance Broking	9,841	8.2%	8,072	7.5%	21.9%
E-Commerce Price Comparison	16,689	13.9%	10,440	9.7%	59.9%
Other revenues of Broking Division	1,244	1.0%	1,230	1.1%	1.1%
Total revenues of the Broking Division	50,620	42.1%	41,269	38.2%	22.7%
Mortgage BPO	26,817	22.3%	22,911	21.2%	17.0%
Real Estate Services BPO	8,772	7.3%	8,982	8.3%	-2.3%
Loans BPO	12,743	10.6%	11,338	10.5%	12.4%
Insurance BPO	1,779	1.5%	2,621	2.4%	-32.1%
Investment Services BPO	4,826	4.0%	4,728	4.4%	2.1%
Leasing/Rental BPO	14,248	11.9%	15,538	14.4%	-8.3%
Other revenues of BPO Division	291	0.2%	589	0.5%	-50.6%
Total revenues of the BPO Division	69,476	57.9%	66,707	61.8%	4.2%
Total revenues	120,096	100.0%	107,976	100.0%	11.2%

(a) % of total revenues

Revenues for the six months ended June 30, 2020 are up 11.2% compared to the same period of the previous financial year, increasing from Euro 107,976 thousand in the first half 2019 to Euro 120,096 thousand in the first half 2020.

The growth of revenues regards both the Broking Division, whose revenues are up 22.7%, increasing from Euro 41,269 thousand in the first half 2019 to Euro 50,620 thousand in the first half 2020, and the BPO Division, whose revenues are up 4.2%, increasing from Euro 66,707 thousand in the first half 2019 to Euro 69,476 thousand in the first half 2020.

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 E-Commerce Price Comparison, Mortgage Broking and Insurance Broking, and it is partially offset by the drop of Consumer Loan Broking.

As regards the BPO Division, the increase of revenues is mainly due to the growth of the revenues of Mortgage BPO and CQ Loan BPO, and it is partially offset by the drop of Insurance BPO and Leasing/Rental BPO.

2.3.2. EBITDA

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

The following table shows EBITDA for the six months ended June 30, 2020 and 2019 divided by division.

<i>(euro thousand)</i>	Six months ended				
	June 30, 2020	(a)	June 30, 2019	(a)	Change %
EBITDA	34,286	28.5%	31,148	28.8%	10.1%
of which					
<i>Broking Division</i>	19,630	38.8%	14,317	34.7%	37.1%
<i>BPO Division</i>	14,656	21.1%	16,831	25.2%	-12.9%

(a) *Percentage of total revenues by Division*

In the six months ended June 30, 2020, compared to the same period of the previous financial year, EBITDA is up 10.1%, increasing from Euro 31,148 thousand in the first half 2019 to Euro 34,286 thousand in the first half 2020.

Such result is due to the growth of the Broking Division EBITDA, up 37.1%, only partially offset by the decline of the BPO Division EBITDA.

2.3.3. Operating income (EBIT)

Operating income (EBIT) is up 7.6% in the six months ended June 30, 2020, compared to the same period of the previous financial year, increasing from Euro 25,634 thousand in the first half 2019 to Euro 27,586 thousand in the first half 2020.

<i>(euro thousand)</i>	Six months ended				
	June 30, 2020	(a)	June 30, 2019	(a)	Change %
Operating income	27,586	23.0%	25,634	23.7%	7.6%
of which					
<i>Broking Division</i>	18,089	35.7%	12,279	29.8%	47.3%
<i>BPO Division</i>	9,497	13.7%	13,355	20.0%	-28.9%

(a) *Percentage of total revenues by Division*

The operating margin for the six months ended June 30, 2020 is equal to 23.0% of revenues, slightly lower than the operating margin for the same period of the previous year, equal to 23.7% of revenues.

This performance is linked to the drop of the operating margin of the BPO Division, decreasing from 20.0% in the first half 2019 to 13.7% in the first half 2020, and it is partially offset by the growth of the operating margin of the Broking Division, increasing from 29.8% in the first half 2019 to 35.7% in the first half 2020.

The decrease of the margin of the BPO Division is attributable to the drop of revenues of the Leasing/Rental BPO and Insurance BPO Business Lines, to the higher incidence of indirect and structural costs, linked both to the management of the Covid-19 emergency and to the increasing complexity of the Division, and to the amortization of the higher value of the software asset recognized with the purchase price allocation of Eagle & Wise Service S.r.l., equal to Euro 1,000 thousand.

The increase of the margin of Broking Division is attributable to the growth of revenues, partially offset by the growth of marketing costs.

2.3.4. Financial Revenues/Expenses

During the six months ended June 30, 2020 we record a negative financial result equal to Euro 734 thousand, mainly due to the interest expense on the outstanding loans in the period for Euro 497 thousand, and to the expenses deriving from the evaluation of the financial assets and liabilities for Euro 183 thousand.

2.3.5. Taxes

Income taxes in the six months ended June 30, 2020 are accounted based on the best estimate of the expected tax rate for the entire financial year. The estimated tax rate for financial year 2020 is equal to 24.0%, compared to an effective tax rate equal to 22.1% for financial year 2019.

2.3.6. Net income of the period

Net income increases from Euro 20,390 thousand in the six months ended June 30, 2019 to Euro 20,408 thousand in the six months ended June 30, 2020 (+1.0%).

For the six months ended June 30, 2020 the net income of the Group net of minority interest is equal to Euro 19,873 thousand.

2.4. Information about financial resources of the Group

The net financial position of the Group as of June 30, 2020 and December 31, 2019 is summarized as follows:

(euro thousand)	As of		Change	%
	June 30, 2020	December 31, 2019		
A. Cash and cash equivalents	82,389	34,654	47,735	137.7%
B. Other cash equivalents	-	-	-	N/A
C. Financial assets held to maturity or for trading	1,747	2,184	(437)	-20.0%
D. Liquidity (A) + (B) + (C)	84,136	36,838	47,298	128.4%
E. Current financial receivables	1,175	918	257	28.0%
F. Current bank borrowings	(1,075)	(13,589)	12,514	-92.1%
G. Current portion of long-term borrowings	(16,095)	(13,003)	(3,092)	23.8%
H. Other short-term borrowings	(2,776)	(2,575)	(201)	7.8%
I. Current indebtedness (F) + (G) + (H)	(19,946)	(29,167)	9,221	-31.6%
J. Net current financial position (I) + (E) + (D)	65,365	8,589	56,776	661.0%
K. Non-current portion of long-term bank borrowings	(95,622)	(67,561)	(28,061)	41.5%
L. Bonds issued	-	-	-	N/A
M. Other non-current financial liabilities	(41,295)	(41,089)	(206)	0.5%
N. Non-current Indebteness (K) + (L) + (M)	(136,917)	(108,650)	(28,267)	26.0%
O. Net financial position (J) + (N)	(71,552)	(100,061)	28,509	-28.5%

As of June 30, 2020, the net financial position of the Group is negative for Euro 71,552 thousand, significantly stronger compared to December 31, 2019, mainly due to the cash generated by the operating activities, partially offset by the payment of dividends for Euro 4,510 thousand.

2.4.1. Current and non-current indebtedness

Current financial indebtedness amounts to Euro 19,946 thousand as of June 30, 2020 (Euro 29,167 thousand as of December 31, 2019) 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 March 23, 2020 the Issuer reimbursed the short-term loan with Credito Emiliano S.p.A., expiring June 25, 2020, for an amount equal to Euro 12,000 thousand.

Non-current indebtedness as of June 30, 2020 and December 31, 2019 is summarized in the following table:

<i>(euro thousand)</i>	As of June 30, 2020	As of December 31, 2019
Bank borrowings	95,622	67,561
1 - 5 years	90,765	61,218
More than 5 years	4,857	6,343
Other non-current financial liabilities	41,295	41,089
<i>Estimated liability for Agenzia Italia S.p.A. put/call option</i>	35,504	35,311
<i>Leasing liabilities (IFRS 16)</i>	5,791	5,778
Total long-term debts and other non-current financial liabilities	136,917	108,650

The increase of non-current bank borrowings is mainly due to the subscription:

- by the Issuer, of an amortizing loan contract with Crédit Agricole Cariparma S.p.A., for an amount equal to Euro 15,000 thousand, expiring June 30, 2026, with a fixed interest rate equal to 1.05%;
- by the Issuer, of a bullet loan contract with Credito Emiliano S.p.A. for an amount equal to Euro 12,000 thousand, expiring September 23, 2021, with a fixed interest rate equal to 0.22%; and
- by subsidiary Agenzia Italia S.p.A., of an amortizing loan contract with Banco BPM S.p.A., for an amount equal to Euro 10,000 thousand, expiring December 31, 2024, with a fixed interest rate equal to 1.09%.

Such increase is partially offset by the reimbursement of the expiring current portions of the outstanding loans, for Euro 5,853 thousand.

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 IFRS 16 standard.

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, 2020 and 2019:

<i>(euro thousand)</i>	Six months ended		Change	%
	June 30, 2020	June 30, 2019		
A. Cash Flow from operating activities before changes in net working capital	30,262	37,087	(6,825)	-18.4%
B. Changes in net working capital	6,553	(20,095)	26,648	132.6%
C. Net cash generated by operating activities (A) + (B)	36,815	16,992	19,823	116.7%
D. Net cash generated/(absorbed) by investing activities	321	(53,188)	53,509	100.6%
E. Net cash generated/(absorbed) by financing activities	11,109	(10,636)	21,745	204.4%
Net increase/(decrease) in cash and cash equivalents (C) + (D) + (E)	48,245	(46,832)	95,077	203.0%

In the six months ended June 30, 2020, the Group generated liquidity for Euro 48,245 thousand versus absorbed liquidity for Euro 46,832 thousand in the same period of 2019. Such effect is mainly attributable to the significant differential contribution to the cash generation of changes of net working capital, and of investing and financing activities.

Cash flow generated by operating activities

Operating activities generated a cash flow of Euro 36,815 thousand in the six months ended June 30, 2020, while in the six months ended June 30, 2019, they generated a cash flow of Euro 16,992 thousand. Such increase is mainly attributable to the cash generated by net working capital, which absorbed significant liquidity in the previous financial year. For the analysis of changes in net working capital please refer to note 2.4.3.

Cash flow absorbed by investment activities

Investing activities generated cash for Euro 321 thousand in the first half 2020 compared to cash absorption of Euro 53,188 thousand in the first half 2019. The cash generation is attributable to the disposal of Cerved Group S.p.A. shares, partially offset by the purchase of new Cerved Group S.p.A. shares and by the investments made in property, plant and equipment.

The cash absorption in the previous period was mainly due to the acquisition of the EW Group for Euro 12.936 thousand and to the purchase of Cerved Group S.p.A. shares for Euro 38.116 thousand.

Cash flow absorbed by financial activities

Financial activities generated liquidity for Euro 11,109 thousand in the first half 2020 compared to absorbed liquidity of Euro 10,636 thousand in the first half 2019.

The generated cash in the first half 2020 is due to the subscription of new loans with Crédit Agricole Cariparma S.p.A., Banco BPM S.p.A. and Credito Emiliano S.p.A., for a total of Euro 37,000 thousand, and it is partially offset by the payment of dividends for Euro 4,510 thousand, by purchases and disposals of own shares for a net amount equal to 2,904 thousand, by capital reimbursements of outstanding loans for an amount equal to Euro 5,853 thousand, and by the reimbursement of the short-term loan with Credito Emiliano S.p.A., for an amount equal to Euro 12,000 thousand.

The cash absorbed in the previous period was mainly due to the payment of dividends for Euro 12,292 thousand, the purchases and disposals of own shares for a net amount equal to 5,192 thousand, the reimbursement of outstanding loans for an amount equal to Euro 13,311 thousand, partially offset by the subscription of a short-term loan with Credito Emiliano S.p.A. for an amount equal to Euro 12,000 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, 2020 and December 31, 2019.

<i>(euro thousand)</i>	As of		Change	%
	June 30, 2020	December 31, 2019		
Trade receivables	94,559	95,370	(811)	-0.9%
Other current assets and tax receivables	13,546	9,109	4,437	48.7%
Trade and other payables	(31,908)	(28,113)	(3,795)	13.5%
Tax payables	(1,025)	(4,099)	3,074	-75.0%
Other current liabilities	(33,712)	(24,254)	(9,458)	39.0%
Net working capital	41,460	48,013	(6,553)	-13.6%

Net working capital decreases, generating liquidity for Euro 6,553 thousand, in the six months ended June 30, 2020. Such trend is linked to the increase of trade payables and the other current liabilities (partially due to the short-term reclassification of the estimated liability for the future acquisition of the residual 60% stake in Zoorate S.r.l., for an amount equal to Euro 3,684 thousand), partially offset by the growth of the other current assets and the decrease of the tax payables.

2.5. Report on foreseeable evolution

2.5.1. Evolution of the Italian residential mortgage market

After a drastic contraction in the central months of lockdown (March and April), the residential mortgage market is once again growing year on year, thanks to the strong growth of remortgages, powered by extremely low long-term interest rates, which offset a moderate contraction of purchase mortgages, due to the weak economic context.

Data from Assofin, an industry association which represents the main lenders active in the sector, show a year-on-year decrease of gross flows of 29.6% in March and 20.9% in April 2020 (with regard to purchase mortgages alone, the decrease in the same months is 36.4% and 30.7%, respectively); the originations subsequently grow year on year at 12.8% in May, 14.6% in June and 1.8% in July 2020 (with regard to purchase mortgages alone, they decreased in the same months by 2.8%, 0.6% and 10.2%, respectively).

For the remaining part of 2020, we continue to face strong uncertainty regarding the socio-economic impacts of the Covid-19 pandemic, making it difficult to provide reliable forecasts. At present, the most likely scenario is a moderate contraction of the residential mortgage market, caused by a double-digit contraction of real estate transactions and the gradual disappearance of year-on-year growth in remortgages, as the last part of 2019 was already characterized by high volumes of refinancing.

2.5.2. Broking Division

The Broking Division performed above expectations in the second quarter, due to the strong growth of E-Commerce Price Comparison during the lockdown period and immediately thereafter and the rapid recovery of Mortgage Broking and Insurance Broking after the end of the lockdown.

For the remaining part of the year, moderate year-on-year growth can be expected, as a result of the performance of the various Business Lines, as indicated below. However, any forecast remains uncertain, due to the unpredictability of the evolution of both the health and the economic situation in Italy and in the world.

Mortgage Broking

Overall, Mortgage Broking revenues are growing year on year also in the second quarter 2020, thanks to the recovery of originations post-lockdown and the increase of the market share of remote channels, probably due to access restrictions to bank branches.

For the following months, in a context of high uncertainty, the most likely scenario is a significant slowdown of the growth year on year, also due to the strong acceleration of business recorded in the second half of 2019, which makes the comparison challenging.

Consumer Loan Broking

Consumer Loan Broking, after a significant drop in the lockdown period, enjoyed only a modest recovery, mainly due to the current great prudence of financial institutions in the origination of new personal loans.

On the other hand, efforts to improve the service and expand the product range continue, which may bring benefits in the second half of the year.

Insurance Broking

After the lockdown, we observed a significant year-on-year growth in the volumes of new contracts brokered. Most likely, many policies that had not been renewed during the months of March and April were subscribed from May onwards, leading to increased volumes in the second half of the quarter.

For the remaining part of the year, a year-on-year growth of revenues and new contracts is foreseeable, also due to a likely greater propensity of customers to use remote channels.

E-Commerce Price Comparison

The E-Commerce Price Comparison business recorded a very strong performance in the months of lockdown and in the period immediately following, both due to increased demand for online purchases and lower competition in the online advertising market, in which Amazon was been inactive for several months.

However, the situation is in the process of normalization, with a progressive disappearance of year-on-year growth, also due to a lower organic visibility on search engines.

2.5.3. BPO Division

The turnover of the BPO Division has proved resilient during the crisis created by the pandemic emergency, holding just above that of the same period last year.

At the same time, there is a significant weakening in the Division's operating margins. Focusing the analysis on EBITDA, this decline is mainly due to two factors. On the one hand, there is the increase in the incidence of indirect and structural costs (operating and personnel), which is linked both to the management of the Covid-19 emergency and to the growing complexity of the Division, and whose impact can be diluted, thanks to the operating leverage, when the business will regain the same traction as experienced in the past. On the other hand, there is a “mix effect”: with a basically stable turnover, the weight of para-notary services has almost doubled, and these activities experience a substantially lower marginality than other services in the mortgage sector.

In terms of marginality, net of indirect costs, the Division as a whole remained stable, but with significant differences between the different businesses, which showed a different exposure to the problems created by the Covid-19 emergency, and also a different ability to react, often depending on their size, as better detailed below.

It remains difficult to make predictions for the second half of the year, given the uncertainty linked to the health crisis and to potential restrictive measures for economic activities that the government could adopt.

It is reasonable to expect, however, a total turnover figure in line or slightly higher than in 2019, and EBITDA in percentage terms similar to what was recorded in the first half of the year.

The positive strategic outlook for the medium term remains unchanged: the balance-sheet strength, the reliability of the Division's services and platforms, shown in this complex and delicate period for all clients, reinforce our competitive positioning for future opportunities.

Mortgage BPO

The *performance* of the Business Line exceeded expectations with double-digit turnover growth, linked, especially in the second quarter, to para-notary services, whose significant surge did more than offset the performance of the other mortgage business, which contracted compared to the same period last year. The “diverging” trend is tied to the different customer base of the two areas: very wide and linked to overall market dynamics for para-notary services, more limited for the complete outsourcing of underwriting services, which is depends therefore on the strategies and the specific performances of single customers. In the next few months, a continuation of the growth driven by para-notary services is expected, and we expect to resume activities with a bank customer impacted by restrictive regulatory measures since the second half of last year.

Real Estate Services BPO

It is one of the businesses that suffered the most, in March and April, from the mobility restrictions imposed to combat the pandemic, closing the first half of 2020 on a substantially equal footing with the same period of the previous year, despite having a larger customer base. The months of May and especially June witnessed a progressive recovery, which is the prelude to a second half with higher revenues compared to 2019.

Loans BPO

The Business Line showed significant growth rates in sales, especially in the second quarter of the year, while improving operating margins. The growth in turnover is mainly due to the extension of the outsourcing offering range: outsourced underwriting services for state-guaranteed SME loans have been added to our traditional services in the *cessione del quinto* area. Since last year, the management of the Business Line was investing to structure an offering in this area, and the opportunity quickly accelerated thanks to government measures adopted in the spring in support of SMEs in response to the Covid-19 emergency.

Although we expect that these business volumes will normalize, it should be noted that this is a structural extension of our perimeter (for this reason the Business Line has been renamed “Loans BPO”) and the Division will be able to take advantage of further opportunities in the future, both by expanding the customer base and by extending the services also to the servicing phase of the portfolios now being originated.

Finally, it should be noted that all the debt collection activities carried out by the Division are now concentrated in this Business Line.

Insurance BPO

The services dedicated to Insurance Companies have seen a significant contraction in volumes during the pandemic emergency. The reduction in turnover has had an important, even if only temporary, impact on the marginality of the Business Line, due to the relative incompressibility of indirect costs. The outlook for the second half of 2020 appears to have improved slightly since July.

Investment Services BPO

The Business Line dedicated to investment services is substantially stable. During the first phase of the emergency, we experienced an extraordinary increase in transaction volumes linked to the rebalancing of portfolios by the end users of our client investment companies, which was then offset by reduced activity in the second quarter. The outlook for the rest of 2020 is substantially stable relative to 2019.

Leasing/Rent BPO

The automotive sector, the main reference market for Agenzia Italia S.p.A., was among the most impacted by the economic effects of the pandemic emergency, both for the restrictions imposed on commercial and administrative activities and for the reduction of consumer demand.

In the second quarter, the turnover of our Business Line decreased by more than 20%, but thanks to the strong growth at the beginning of 2020, the decrease in turnover for the whole first semester was limited.

The use of social shock absorbers, and the growth of some ancillary business related to the emergency (e.g. management of installment suspensions on leasing portfolios) made it possible to maintain the percentage operating margins in line with last year.

For the second half of 2020, an already visible recovery in turnover compared to the second quarter is expected. The total turnover for the year should still be about 10% lower than in 2019, with a stable operating margin in percentage terms.

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, 2020

Prepared according to LAS 34

3. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE SIX MONTHS ENDED JUNE 30, 2020

3.1. Consolidated statement of financial position as of June 30, 2020 and December 31, 2019

<i>(euro thousand)</i>	Note	As of	
		June 30, 2020	December 31, 2019
ASSETS			
Intangible assets	6	105,192	107,282
Property, plant and equipment	6	25,409	25,512
Associates measured with equity method	7	1,733	1,786
Non-current financial assets at fair value	8	42,966	54,354
Deferred tax assets		-	137
Other non-current assets		602	602
<i>(of which) with related parties</i>		190	190
Total non-current assets		175,902	189,673
Cash and cash equivalents	9	82,389	34,654
Trade receivables	10	94,559	95,370
<i>(of which) with related parties</i>		25	34
Tax receivables	11	7,627	4,313
Other current assets	12	5,919	4,796
<i>(of which) with related parties</i>		1,222	918
Total current assets		190,494	139,133
TOTAL ASSETS		366,396	328,806
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	22,23	948	950
Other reserves	22,23,24	94,894	71,308
Net income		19,873	40,313
Total equity attributable to the shareholders of the Issuer		115,715	112,571
Minority interests		1,862	1,627
Total shareholders' equity		117,577	114,198
Long-term debts and other financial liabilities	13	136,917	108,650
Provisions for risks and charges	14	1,804	1,840
Defined benefit program liabilities	15	14,716	14,098
Deferred tax liabilities	16	8,208	-
Other deferred liabilities	17	583	4,387
Total non-current liabilities		162,228	128,975
Short-term debts and other financial liabilities	18	19,946	29,167
Trade and other payables	19	31,908	28,113
<i>(of which) with related parties</i>		493	358
Tax payables	20	1,025	4,099
Other current liabilities	21	33,712	24,254
Total current liabilities		86,591	85,633
TOTAL LIABILITIES		248,819	214,608
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		366,396	328,806

3.2. Consolidated statement of income for the six months ended June 30, 2020 and 2019

<i>(euro thousand)</i>	Note	Six months ended	
		June 30, 2020	June 30, 2019
Revenues	25	120,096	107,976
<i>(of which) with related parties</i>		23	12
Other income	26	1,909	1,886
<i>(of which) with related parties</i>		9	54
Capitalization of internal costs	6	1,935	1,092
Services costs	27	(49,329)	(42,274)
<i>(of which) with related parties</i>		(1,107)	(1,130)
Personnel costs	28	(35,664)	(34,220)
Other operating costs	29	(4,661)	(3,312)
Depreciation and amortization	30	(6,700)	(5,514)
Operating income		27,586	25,634
Financial income		169	2,035
Financial expenses	31	(667)	(665)
Income/(losses) from participations	7	(53)	371
Income/(losses) from financial assets/liabilities		(183)	(261)
Net income before income tax expense		26,852	27,114
Income tax expense	32	(6,444)	(6,724)
Net income		20,408	20,390
Attributable to:			
Shareholders of the Issuer		19,873	20,149
Minority interest		535	241
Earnings per share basic (Euro)	33	0.53	0.53
Earnings per share diluted (Euro)	33	0.51	0.51

3.3. Consolidated statement of comprehensive income for the six months ended June 30, 2020 and 2019

<i>(euro thousand)</i>	Note	Six months ended	
		June 30, 2020	June 30, 2019
Net income		20,408	20,390
Fair value of financial assets	8	(9,976)	1,675
Tax effect fair value of financial assets		86	(20)
Currency translation differences		(44)	3
Total other comprehensive income		(9,934)	1,658
Total comprehensive net income for the period		10,474	22,048
Attributable to:			
Shareholders of the Issuer		9,939	21,807
Minority interest		535	241

3.4. Consolidated statement of cash flows for the six months ended June 30, 2020 and 2019

<i>(euro thousand)</i>	Note	Six months ended	
		June 30, 2020	June 30, 2019
Net income		20,408	20,390
Amortization and depreciation	6, 30	6,700	5,514
Stock option expenses	24	625	539
Depreciation/(Revaluation) financial assets and liabilities		183	-
Capitalization of internal costs	6	(1,935)	(1,092)
Changes of the value of the participations evaluated with the equity method	7	53	(373)
Income tax paid		(1,491)	(227)
Changes in trade receivables/payables		4,606	(18,243)
Changes in other assets/liabilities		7,084	9,773
Changes in defined benefit program		618	878
Changes in provisions for risks and charges		(36)	(167)
Net cash generated/(absorbed) by operating activities		36,815	16,992
Investments:			
- Increase of intangible assets	6	(81)	(72)
- Increase of property, plant and equipment	6	(1,010)	(1,286)
- Acquisition of subsidiaries		-	(11,442)
- Increases of financial assets at fair value		1,121	(40,778)
Disposals:			
- Reimbursement/sale of securities	8	291	390
Net cash generated/(absorbed) by investing activities		321	(53,188)
Interest paid		(477)	(462)
Increase of financial liabilities	13	38,436	11,272
Decrease of financial liabilities	13	(19,436)	(7,792)
Purchase/(sale) of own shares	23	(2,904)	(2,362)
Dividends paid	22	(4,510)	(11,292)
Net cash generated/(absorbed) by financing activities		11,109	(10,636)
Net increase/(decrease) in cash and cash equivalents		48,245	(46,832)
Net cash and cash equivalent at the beginning of the period		33,065	67,063
Net cash and cash equivalents at the end of the period		81,310	20,231
Cash and cash equivalents at the beginning of the period	9	34,654	67,876
Current account overdrafts at the beginning of the period		(1,589)	(813)
Net cash and cash equivalents at the beginning of the period		33,065	67,063
Net cash and cash equivalents at the end of the period	9	82,389	24,756
Current account overdrafts at the end of the period		(1,079)	(4,525)
Net cash and cash equivalents at the end of the period		81,310	20,231

3.5. Consolidated statement of changes in equity as of and for the six months ended June 30, 2020 and 2019

<i>(euro thousand)</i>	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, 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
Total Equity as of January 1, 2020	950	202	26,651	84,768	112,571	1,627	114,198
Distribution of ordinary dividends	-	-	-	(4,510)	(4,510)	(300)	(4,810)
Purchase of own shares	(5)	-	(3,625)	-	(3,630)	-	(3,630)
Exercise of stock options	3	-	723	-	726	-	726
Stock option plan	-	-	625	-	625	-	625
Other movements	-	-	-	(6)	(6)	-	(6)
Net income of the year	-	-	(9,934)	19,873	9,939	535	10,474
Total Equity as of June 30, 2020	948	202	14,440	100,125	115,715	1,862	117,577
Note	22	22	23,24				

3.6. Explanatory notes

1. *General information*

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.

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, 2020 to June 30, 2020 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, 2019.

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, 2020 are presented together with the comparative information for the six months ended June 30, 2019. The balance sheet data as of June 30, 2020 is presented together with the comparative data of the previous financial year, ended December 31, 2019.

This half year report for the six months ended June 30, 2020 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, 2019. 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, 2019.

In addition, we point out that the following standards, amendments and interpretations, applicable from January 1, 2020, are not relevant or they did not involve effects for the Group:

- amendments to IFRS 3: definition of a Business;
- amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform;
- amendments to IAS 1 and IAS 8: definition of Material;

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%
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%
Klikkapromo S.r.l.	Milan (Italy)	10,000	Line-by-line	100%
Mikono S.r.l.	Milan (Italy)	10,000	Line-by-line	76%
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%
ShopyDoo S.L.U.	Madrid (Spain)	3,500	Line-by-line	100%
Generale Fiduciaria S.p.A.	Milan (Italy)	200,000	Equity method	40%
Generale Servizi Amministrativi S.r.l.	Milan (Italy)	100,000	Equity method	40%
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, 2020	As of June 30, 2019
Balance sheet items	4.840	4.783
Income statement items	4.817	4.746

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.

All the other main outstanding loans are fixed rate.

A possible unfavorable variation of the reference interest rates, equal to 1%, should produce an additional expense equal to Euro 167 thousand in the second half of 2020.

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 and/or promptly disposable financial assets.

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 significant.

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 94,559 thousand, of which the overdue portion as of June 30, 2020 is equal to Euro 25,772 thousand, of which Euro 3,616 thousand is overdue for over 90 days.

Most of the gross overdue receivables were paid by clients during July and August 2020. As of the date of approval of this report, receivables not yet collected, overdue as of June 30, 2020, amount to Euro 5,754 thousand, of which Euro 2,358 thousand refer to receivables already overdue for over 90 days as of June 30, 2020.

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, there is an allowance for doubtful receivables equal to Euro 4,363 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, 2020 is Euro 82,389 thousand, and, in the light of the value of net working capital as of June 30, 2020, the management believes that liquidity risk for the Group is limited.

Risk linked to Covid-19 Epidemic

This scenario, which has already been examined, is having significant impacts on the economy, financial markets and consumer confidence in Italy and worldwide.

The Group has taken prompt action, also on the basis of directives issued by the Government, to stem the possible impacts of health threats for its employees, and has equipped its personnel with all the necessary tools to continue working safely and, where appropriate, remotely.

As described in the section about performance and foreseeable evolution, the Business Lines whose economic results were most impacted, in either direction, by the Covid-19 pandemic are:

- Leasing/Rental BPO, which recorded revenues down 8.3% compared to the first half of 2019, mainly due to the restrictions imposed on commercial and administrative activities in the automotive sector;
- Real Estate Services BPO and Insurance BPO (down 2,3% and 32.1% respectively), both characterized by a contraction in volumes during the lockdown;
- Consumer Loan Broking, which recorded revenues down by 34.3% compared to the first half of 2019, mainly due to the current great prudence of financial institutions in the origination of new personal loans;
- E-Commerce Price Comparison was instead positively impacted by the consequences of the pandemic; such business line recorded revenues up by 59.9% compared to the first half of 2019, partially due to increased demand for online purchases during the lockdown.

As of the date of approval of this report, it is not possible to predict the duration of this situation and therefore assess its economic and financial impact on the results for the year 2020. Overall, we believe that the Business Lines that could be most affected by the continuation of the current emergency situation are, within the Broking Division, those related to the credit origination (Consumer Loan Broking and, limited to purchase mortgages, Mortgage Broking), while, within the BPO Division, those related to mortgage originations (Mortgage BPO and Real Estate Services BPO), to new vehicle registrations (Leasing/Rental BPO) and to claims management (Insurance BPO).

It should be noted, anyway, that:

- so far there have not been significant delays in payments from customers, nor news of particular difficulties on their part;
- no financial tensions are expected in the coming months;
- there are no elements that could put into question the going concern assumption according to which the financial statements have been prepared.

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.

It should also be considered that the Group, as in previous years, has achieved positive economic results, and that future economic forecasts are also positive. Finally, the Group has adequate financial resources to meet its future obligations over a period of at least 12 months from the date of approval of this report.

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.

Among financial assets as of June 30, 2020 there are the shares of Cerved Group S.p.A., measured at fair value (category 1) through “other comprehensive income” (“**OCI**”) reserve, the shares of a security measured at fair value (category 1) through profit and loss, and other securities related to securitization of non-performing credits, measured at fair value (category 2) through profit and loss.

All the financial liabilities recorded in the balance sheet as of June 30, 2020 and December 31, 2019 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, 2020, are equal to Euro 193 thousand.

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

<i>(euro thousand)</i>	Six months ended	
	June 30, 2020	June 30, 2019
Broking Division revenues	50,620	41,269
BPO Division revenues	69,476	66,707
Total revenues	120,096	107,976

Operating income by Division

<i>(euro thousand)</i>	Six months ended	
	June 30, 2020	June 30, 2019
Broking Division operating income	18,089	12,279
BPO Division operating income	9,497	13,355
Total operating income	27,586	25,634
Financial income	169	2,035
Financial expenses	(667)	(665)
Income/(losses) from investments	(53)	371
Income/(Expenses) from financial assets/liabilities	(183)	(261)
Net income before income tax expense	26,852	27,114

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.

<i>(euro thousand)</i>	As of June 30, 2020	As of December 31, 2019
Broking Division assets	70,644	71,203
BPO Division assets	161,842	159,142
Not allocated	51,521	63,807
Cash and cash equivalents	82,389	34,654
Total assets	366,396	328,806

The item “Not allocated” mainly includes the value of Cerved Group S.p.A. shares, equal to Euro 41,221 thousand as of June 30, 2020 (Euro 52,170 thousand as of December 31, 2019).

Liabilities by Division

<i>(euro thousand)</i>	As of June 30, 2020	As of December 31, 2019
Broking Division liabilities	18,054	20,515
BPO Division liabilities	77,436	56,192
Not allocated	153,329	137,901
Total liabilities	248,819	214,608

The item “Not allocated” mainly includes the financial liabilities of the Issuer, for Euro 135,637 thousand.

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

NON-CURRENT ASSETS

6. *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, 2020 and 2019.

<i>(euro thousand)</i>	Intangible assets	Property, plant and equipment	Total
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)
<i>of which ex IFRS 16</i>	-	(1,093)	(1,093)
Total as of June 30, 2019	109,191	22,993	132,184
Total as of January 1, 2020	107,282	25,512	132,794
Increases	2,016	2,491	4,507
Depreciation and amortization	(4,106)	(2,594)	(6,700)
<i>of which ex IFRS 16</i>	-	(1,455)	(1,455)
Total as of June 30, 2020	105,192	25,409	130,601

Intangible assets

As of June 30, 2020, the net book value of intangible assets amounts to Euro 105,192 thousand (Euro 107,282 thousand as of December 31, 2019). The additions to intangible assets during the six months ended June 30, 2020 are equal to Euro 2,016 thousand related to software assets (of which Euro 1,935 thousand for the capitalization of staff costs for internal development).

The following table presents the details of intangible assets as of June 30, 2020 and December 31, 2019:

<i>(euro thousand)</i>	As of June 30, 2020	As of December 31, 2019
Development costs	7,649	9,276
Licenses and other rights	480	943
Goodwill	97,063	97,063
Total intangible assets	105,192	107,282

The following table presents the details of the goodwill as of June 30, 2020:

<i>(euro thousand)</i>	As of June 30, 2020
Agenzia Italia S.p.A.	45,288
7Pixel S.r.l.	33,374
Eagle&Wise Service S.r.l.	8,292
Quinservizi S.p.A.	6,583
Centro Processi Assicurativi S.r.l.	2,801
CESAM S.r.l.	595
EuroServizi per i Notai S.r.l.	130
Total goodwill	97,063

We specify that, following the mergers of IN.SE.CO. S.r.l. into Quinservizi S.p.A. and Due S.r.l. into CESAM S.r.l., the management believes that the previous CGUs attributable to the companies merged by incorporation, are no longer identifiable separately, following the integration of the businesses and their related cash flows, and the internal reorganizations resulting from the mergers. Consequently, the goodwill values of the CGUs Quinservizi S.p.A. and CESAM S.r.l., as of June 30, 2020, increase by a value equal to the goodwill of the CGUs attributable to the merged companies, equal to Euro 2,240 thousand for IN.SE.CO. S.r.l., and Euro 423 thousand, for Due S.r.l. at the merger date.

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, 2019.

During the six months ended June 30, 2020, 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, with the exception of the CGU Centro Processi Assicurativi S.r.l., for which an impairment test was carried out, from which it has not emerged the need to make a write-down.

The main assumptions adopted regarding the value-in-use of the CGU are the operating cash flows during the three-year forecast period, the discount rate and the growth rate used to determine the terminal value, equal to 1.3%. The discount rate used at the evaluation date is equal to 8.36%.

Finally, the sensitivity analysis showed that the value in use of the CGU remains higher than the book value, with an increase of the discount rate up to 9.87% or, keeping the WACC unchanged, with a decrease of “g rate” up to -0.41%. In light of this, the Directors of the Issuer consider recoverable the book value of the goodwill of the CGU recorded in the consolidated financial statements as at June 30, 2020.

Property plant and equipment

As of June 30, 2020, the net book value of property, plant and equipment amounts to Euro 25,409 thousand (Euro 25,512 thousand as of December 31, 2019). During the six months ended June 30, 2020, the increases of property, plant and equipment amount to Euro 2,491 thousand (of which Euro 1,674 thousand related to IFRS 16 effect). Net of IFRS 16, the purchases refer to plant and machinery for Euro 658 thousand, to land and buildings for Euro 6 thousand and to other long-term assets for Euro 153 thousand.

Changes in the values of the rights of use and the leasing liabilities occurred in the six months ended June 30, 2020 are shown below:

<i>(euro thousand)</i>	Buildings	Vehicles	Total property, plant and equipment	Leasing liabilities
As of January 1, 2020	7,569	496	8,065	8,164
Increases / (decreases)	1,368	306	1,674	360
Amortization	(1,280)	(175)	(1,455)	-
Financial expenses	-	-	-	45
As of June 30, 2020	7,657	627	8,284	8,569

7. Investments in associates measured with the equity method

The item is represented by the shareholding in the associated companies Fin.it S.r.l., Generale Fiduciaria S.p.A., Generale Servizi Amministrativi S.r.l., Zoorate S.r.l. and in the joint venture PrestiPro S.r.l..

The following table shows the changes in this item for the six months ended June 30, 2020:

<i>(Euro thousand)</i>	As of December 31, 2019	Net income of the year attributable to the Group	As of June 30, 2020
Fin.it S.r.l.	268	24	292
Generale Fiduciaria S.p.A.	494	21	515
GSA S.r.l.	265	(145)	120
Prestipro S.r.l.	86	(82)	4
Zoorate S.r.l.	673	129	802
Total	1,786	(53)	1,733

During the six months ended June 30, 2020, the expense deriving from the valuation with the equity method of the investments in associated companies and joint ventures was equal to Euro 53 thousand; this value is recognized in the income statement as “Incomes/(Losses) from investments”.

8. Financial assets at fair value

The following table shows the variation of the item as of and for the six months ended June 30, 2020:

<i>(euro thousand)</i>	As of December 31, 2019	Increases	Revaluations/ (Depreciations)	Reimbursements	As of June 30, 2020
Finint Bond Fund	579	-	(17)	-	562
ABS Fenice 2014-1	260	-	(130)	-	130
ABS Fenice 2014-2	1,344	-	-	(291)	1,053
Cerved Group S.p.A. shares	52,170	12,041	(9,974)	(13,016)	41,221
Financial assets at fair value	54,353	12,041	(10,121)	(13,307)	42,966

Financial assets at fair value are equal to Euro 42,966 thousand as of June 30, 2020 (Euro 54,353 thousand as of December 31, 2019), and include 6,483,080 ordinary shares of Cerved Group S.p.A.,

for an amount equal to Euro 41,221 thousand. Regarding Cerved Group S.p.A. shares, during the period we sold 1.496.950 shares at an average price of 8.618 per share and bought 1.980.030 shares at an average price of 6.095 per share. The item “Revaluations/(Depreciations)” refers to the lower market value of the shares already owned as of December 31, 2019, for Euro 10,524 thousand, and to the higher market value of the shares purchased during the six months ended June 30, 2020, for Euro 550 thousand.

The item also includes quotas of a mutual fund for Euro 562 thousand, and other asset-based securities (“ABS”) for Euro 1,183 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

9. 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, 2020 and December 31, 2019:

<i>(euro thousand)</i>	As of		Change	%
	June 30, 2020	December 31, 2019		
A. Cash and cash equivalents	82,389	34,654	47,735	137.7%
B. Other cash equivalents	-	-	-	N/A
C. Financial assets held to maturity or for trading	1,747	2,184	(437)	-20.0%
D. Liquidity (A) + (B) + (C)	84,136	36,838	47,298	128.4%
E. Current financial receivables	1,175	918	257	28.0%
F. Current bank borrowings	(1,075)	(13,589)	12,514	-92.1%
G. Current portion of long-term borrowings	(16,095)	(13,003)	(3,092)	23.8%
H. Other short-term borrowings	(2,776)	(2,575)	(201)	7.8%
I. Current indebtedness (F) + (G) + (H)	(19,946)	(29,167)	9,221	-31.6%
J. Net current financial position (I) + (E) + (D)	65,365	8,589	56,776	661.0%
K. Non-current portion of long-term bank borrowings	(95,622)	(67,561)	(28,061)	41.5%
L. Bonds issued	-	-	-	N/A
M. Other non-current financial liabilities	(41,295)	(41,089)	(206)	0.5%
N. Non-current indebtedness (K) + (L) + (M)	(136,917)	(108,650)	(28,267)	26.0%
O. Net financial position (J) + (N)	(71,552)	(100,061)	28,509	-28.5%

The item “Current financial receivables” consists of the receivable from Fin.it S.r.l., outside the scope of full consolidation as it is not a subsidiary, 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 35,504 thousand (increasing by Euro 193 thousand compared to December 31, 2019, as a result of the discounting of the liability), and the non-current leasing liabilities deriving from the adoption of the new IFRS 16 standard for Euro 2,776 thousand.

10. Trade receivables

The following table presents the situation of trade receivables as of June 30, 2020 and December 31, 2019:

<i>(euro thousand)</i>	As of June 30, 2020	As of December 31, 2019
Trade receivables	98,922	99,430
(allowance for doubtful receivables)	(4,363)	(4,060)
Total trade receivables	94,559	95,370

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, 2020:

<i>(euro thousand)</i>	As of December 31, 2019	Accrual	Utilization	As of June 30, 2020
Provision for bad debts	4,060	336	(33)	4,363
Total	4,060	336	(33)	4,363

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

The accrual for the six months mainly includes the adjustments to the bad debt provision booked by subsidiary Agenzia Italia S.p.A..

11. 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, 2020, tax receivables amount to Euro 7,627 thousand and include the advances and receivables on IRES and IRAP for Euro 4,704 thousand, 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 1,875 thousand.

12. Other current assets

The following table presents the details of the item as of June 30, 2020 and December 31, 2019:

<i>(euro thousand)</i>	As of June 30, 2020	As of December 31, 2019
Accruals and prepayments	1,754	1,009
Advances to suppliers	120	116
Others	851	706
VAT receivables	2,007	2,031
Receivables from associated companies	1,187	934
Total other current assets	5,919	4,796

The increase of the item “Accruals and prepayments” if compared to December 31, 2019, 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

13. Long-term debts and other financial liabilities

The following table presents the details of the item as of June 30, 2020 and December 31, 2019:

<i>(euro thousand)</i>	As of June 30, 2020	As of December 31, 2019
Bank borrowings	95,622	67,561
1 - 5 years	90,765	61,218
More than 5 years	4,857	6,343
Other non-current financial liabilities	41,295	41,089
<i>Estimated liability for Agenzia Italia S.p.A. put/call option</i>	35,504	35,311
<i>Leasing liabilities (IFRS 16)</i>	5,791	5,778
Total long-term debts and other non-current financial liabilities	136,917	108,650

Bank loans

The bank borrowings, for the non-current portion, mainly refer to the outstanding loans from Intesa SanPaolo S.p.A., for an amount equal to Euro 33,729 thousand, Crédit Agricole Cariparma S.p.A., for an amount equal to Euro 27,428 thousand, Credito Emiliano S.p.A. for an amount equal to Euro 11,996 thousand, and Banco BPM S.p.A., for an amount equal to Euro 22,175 thousand (of which Euro 8,754 thousand related to the loan obtained by the subsidiary Agenzia Italia S.p.A.). Such item also includes the non-current portion of another loan of Agenzia Italia S.p.A., for a residual amount of Euro 294 thousand.

The increase of non-current bank borrowings is mainly due to the subscription:

- by the Issuer, of an amortizing loan contract with Crédit Agricole Cariparma S.p.A., for an amount equal to Euro 15,000 thousand, expiring June 30, 2026, with a fixed interest rate equal to 1.05%;
- by the Issuer, of a bullet loan contract with Credito Emiliano S.p.A. for an amount equal to Euro 12,000 thousand, expiring September 23, 2021, with a fixed interest rate equal to 0.22%; and
- by subsidiary Agenzia Italia S.p.A., of an amortizing loan contract with Banco BPM S.p.A., for an amount equal to Euro 10,000 thousand, expiring December 31, 2024, with a fixed interest rate equal to 1.09%.

Such increase is partially offset by the reimbursement of the expiring current portions of the outstanding loans.

The repayment schedule is presented in the following table:

<i>(euro thousand)</i>	As of June 30, 2020	As of December 31, 2019
- between one and two years	28,306	12,419
- between two and three years	16,306	11,355
- between three and four years	35,264	28,863
- between four and five years	10,889	8,581
- more than five years	4,857	6,343
Total	95,622	67,561

Interest rates

With regard to the bank loan from Intesa SanPaolo 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.

With regard to the bank loan from Crédit Agricole Cariparma S.p.A., obtained on March 30, 2020, for an amount equal to Euro 15,000 thousand, it carries a yearly fixed rate equal to 1.05%.

With regard to the bank loan from Banco BPM S.p.A., obtained by Agenzia Italia S.p.A. on May 21, 2020, for an amount equal to Euro 10,000 thousand, it carries a yearly fixed rate equal to 1.09%.

With regard to the bullet loan from Credito Emiliano S.p.A., obtained on March 23, 2020, for an amount equal to Euro 12,000 thousand, it carries a yearly fixed rate equal to 0.22%.

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.

Financial covenants

As regard the loan obtained from Intesa SanPaolo 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.

As regards the loans obtained from Crédit Agricole Cariparma S.p.A., 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.

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, 2020.

It should be noted that for the calculation of the above ratios, according to the contractual agreements in force with the banks, the Net Financial Position and the Total Indebtedness are always determined excluding the liabilities linked to future purchase obligations of participations and the leasing liabilities deriving from the adoption of IFRS 16.

Other non-current financial liabilities

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 35,504 thousand (increasing by Euro 193 thousand compared to December 31, 2019, as a result of the discounting of the liability), and the leasing liabilities deriving from the adoption of the IFRS 16 standard, for Euro 5,791 thousand.

14. 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, 2020:

<i>(euro thousand)</i>	As of December 31, 2019	Accrual	Utilization	As of June 30, 2020
Provision for early repayment of mortgages	176	-	(2)	174
Other provisions for risks	1,664	-	(34)	1,630
Total	1,840	-	(36)	1,804

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 item also includes a provision, booked during 2019, of Euro 120 thousand, which refers to an estimation of the economic indemnities that may have to be paid to customers and/or assignees by a company of the Group which provides loans subsequently transferred to other intermediaries, in the event of requests for early repayment, pursuant to the judgment of the Court of Justice of the European Union of September 11, 2019 about the repayment of upfront costs in case of early reimbursement of loans.

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 754 thousand.

15. Defined benefit program liabilities

The following table presents the variation and the item during the six months ended June 30, 2020:

<i>(euro thousand)</i>	As of December 31, 2019	Accrual	Utilization	As of June 30, 2020
Employee termination benefits	13,679	1,277	(677)	14,279
Directors' termination benefits	419	18	-	437
Total	14,098	1,295	(677)	14,716

16. Deferred tax liabilities

The item is equal to 8,208 thousand as of June 30, 2020 and includes the estimation of the income taxes of the period for an amount equal to Euro 9,312 thousand, deferred tax liabilities for an amount equal to Euro 1,698 thousand, partially offset by deferred tax assets for Euro 2,802 thousand.

The changes of the item as of June 30, 2020 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.

17. Other non-current liabilities

The item is equal to Euro 583 thousand as of June 30, 2020 (Euro 4,387 as of December 31, 2019), and represents the liabilities for the estimated consideration to be paid for the exercise of the put/call option on the residual 24% stake of subsidiary Mikono S.r.l., exercisable during financial year 2021, equal to Euro 54 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 520 thousand. The decrease compared to financial year ended December 31, 2019 is due to the short-term reclassification of 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 3,684 thousand.

CURRENT LIABILITIES

18. Short-term debts and other financial liabilities

Short-term borrowings amount to Euro 19,946 thousand as of June 30, 2020 (Euro 29,167 thousand as of December 31, 2019) and include the current portion of medium-long term bank borrowings for Euro 16,095 thousand, the current portion of the leasing liabilities (IFRS 16) for Euro 2,776 thousand and the liabilities related to the short-term loans and credit lines for an amount equal to Euro 1,075 thousand.

19. Trade and other payables

Trade and other payables, equal to Euro 31,908 thousand (Euro 28,113 thousand as of December 31, 2019) include the payables to suppliers for the purchase of goods and services.

The increase compared to December 31, 2019 is attributable to the increase of services costs in the six months ended June 30, 2020.

There are no trade payables due over 12 months.

20. *Tax payables*

The item mainly includes the liability for IRES and IRAP, for an amount equal to Euro 1,025 thousand.

21. *Other current liabilities*

The following table presents the situation of the item as of June 30, 2020 and December 31, 2019:

<i>(euro thousand)</i>	As of June 30, 2020	As of December 31, 2019
Liabilities to personnel	13,256	10,962
Social security liabilities	3,879	3,761
Social security liabilities on behalf of employees	3,595	3,497
Accruals	1,830	1,402
VAT liabilities	1,522	1,570
Consideration for future acquisition of Zoorate	3,684	-
Other liabilities	5,946	3,062
Total other current liabilities	33,712	24,254

The increase of the item “Liabilities to personnel”, which mainly includes liabilities for salaries and wages, deferred charges and liability to directors, is mainly due to the growth of the personnel employed, compared to December 31, 2019, and to the higher liabilities for deferred charges and payables to directors.

The “Other liabilities” item mainly includes the payables to clients of Insurance BPO for advances received for claim settlement, for Euro 1,449 thousand, payables of subsidiary Centro Finanziamenti S.p.A. to its loan buyers for expected early repayments on the transferred loans for Euro 1,104 thousand, and payables to ACI of subsidiary Agenzia Italia S.p.A., with reference to car taxes collected from the users, and to be paid to ACI, for Euro 2,276 thousand. The increase compared to December 31, 2019 is attributable to the payables described above relating to subsidiaries Centro Finanziamenti S.p.A. and Agenzia Italia S.p.A.. It should be noted that most of the payables described for Agenzia Italia S.p.A. were paid in the first days of July 2020.

The item “Consideration for future acquisition of Zoorate” refers to the estimated consideration for the future acquisition of the residual 60% of Zoorate S.r.l., equal to Euro 3,684 thousand. Such liability, as of December 31, 2019, was classified among the other non-current liabilities.

22. *Shareholders' equity*

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

On May 28, 2020, the shareholders' meeting resolved a dividend distribution of Euro 0.12 per share. This dividend was distributed with ex-dividend date June 8, 2020, record date June 9, 2020 and payment date June 10, 2020.

Following this resolution, the Issuer paid dividends for a total amount of Euro 4,510 thousand.

As of June 30, 2020, Company's share capital is composed by 40,000,000 shares, with no nominal value.

23. Purchase and sale of own shares

Over the six months ended June 30, 2020, the Issuer purchased 214,526 own shares, equal to 0.536% of the share capital, for a total value equal to Euro 3,630 thousand.

As of June 30, 2020, the Issuer hold a total of 2,528,959 own shares, equal to 6.322% of ordinary share capital, for a total cost of Euro 18,791 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 64 thousand as of June 30, 2020, and from available reserves for an amount equal to the remaining part of the purchase cost.

As of June 30, 2020, there are 37,471,041 outstanding shares, equal to 93.678% of share capital.

24. Stock option plans

Personnel costs for the six months ended June 30, 2020 include Euro 625 thousand related to the Group stock option plan. In the six months ended June 30, 2019, personnel costs related to the Group stock option plan amount to Euro 539 thousand.

No further stock option allocations were made during the six months ended June 30, 2020.

As of June 30, 2020, 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	289,500	4.976	0.86
April 27, 2017	March 12, 2018	March 12, 2021	March 11, 2024	1,211,350	13.549	2.61
April 27, 2017	July 5, 2019	July 8, 2022	July 7, 2025	160,000	15.887	3.21
Total options				1,660,850		

INCOME STATEMENT

25. Revenues

The following table presents the details of the item during the six months ended June 30, 2020 and 2019:

<i>(euro thousand)</i>	Six months ended	
	June 30, 2020	June 30, 2019
Broking Division revenues	50,620	41,269
BPO Division revenues	69,476	66,707
Total revenues	120,096	107,976

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

26. Other income

The item, equal to Euro 1,909 thousand for six months ended June 30, 2020, contains mainly income for the reimbursement of postage and courier expenses of the BPO Division.

27. Services costs

The following table presents the details of the item during the six months ended June 30, 2020 and 2019:

<i>(euro thousand)</i>	Six months ended	
	June 30, 2020	June 30, 2019
Marketing and commercial expenses	18,418	15,527
Notarial and appraisal services	15,561	11,362
Technical, legal and administrative consultancy	5,151	4,035
Commission payout	2,230	2,573
Postage	1,364	1,518
Other services costs	6,605	7,259
Total services costs	49,329	42,274

“Marketing and commercial expenses” refer to activities aimed at increasing the awareness and reputation of the Group and of its brands and to acquire new perspective clients. The growth compared to the previous six months is due to the increase of spending, above all within Broking Division.

“Notary and appraisal services” mainly refer to services purchased by the BPO Division and show a growth compared to the previous six months due to the increase of activity volumes.

“Technical, legal and administrative consultancy” costs refer to expenses incurred for professional advice for legal, financial and fiscal matters, for audit activities, for administrative and operating support, as well as for IT and technology consulting.

The “Other services costs” include IT services for Euro 1,047 thousand, rental and lease expenses for Euro 1,023 thousand, telephone and communication costs for Euro 790 thousand and other general expenses for Euro 3,745 thousand.

28. Personnel costs

Personnel costs amount to Euro 35,664 thousand for the six months ended June 30, 2020 (Euro 34,220 thousand for the six months ended June 30, 2019) and mainly include employee wages and salaries equal to Euro 23,750 thousand for the six months ended June 30, 2020 (Euro 23,301 thousand for the six months ended June 30, 2019) and social security contributions equal to Euro 6,561 thousand (Euro 6,330 thousand for the six months ended June 30, 2019).

We highlight that in the six months ended June 30, 2020 there are costs related to the stock option plan for Euro 625 thousand, for which please refer to note 24 (Euro 539 thousand in the six months ended June 30, 2019).

29. Other operating costs

The item “Other operating costs”, equal to Euro 4,661 thousand (Euro 3,312 thousand in the six months ended June 30, 2019), includes Euro 2,600 thousand (Euro 2,004 thousand for the six months ended June 30, 2019) relative to non-deductible VAT costs, Euro 571 thousand for purchase of small equipment and consumables (Euro 319 thousand for the six months ended June 30, 2019), Euro 524 thousand related to accruals (Euro 219 thousand for the six months ended June 30, 2019), and Euro 454 thousand related to tax and administrative charges (Euro 497 thousand for the six months ended June 30, 2019).

30. Depreciation and amortization

The following table presents the details of the item for the six months ended June 30, 2020 and 2019:

<i>(euro thousand)</i>	Six months ended	
	June 30, 2020	June 30, 2019
Amortization of intangible assets	(4,106)	(3,258)
<i>of which PPA effect</i>	<i>(2,780)</i>	<i>(2,381)</i>
Depreciation of property, plant and equipment	(2,594)	(2,277)
<i>of which IFRS 16 effect</i>	<i>(1,455)</i>	<i>(1,093)</i>
Total depreciation and amortization	(6,700)	(5,535)

The increase of the amortization of intangible assets is mainly attributable to the higher value of the software platform recognized following the purchase price allocation of Eagle & Wise Service S.r.l., completed in December 2019, whose amortization amounts to Euro 1,000 thousand as of June 30, 2020, and it is partially offset by the conclusion of the amortization of the higher value of the brand recognized through the consolidation of 7Pixel S.r.l., that led to lower amortization costs for Euro 601 thousand. Net of the effects deriving from the purchase price allocation processes, the amortization of intangible assets presents an increase of Euro 449 thousand, due to the capitalization of higher software development costs.

31. Financial expenses

Financial expenses for the six months ended June 30, 2020, mainly includes the interest expense on the outstanding loans for Euro 497 thousand.

32. Income tax expense

Income taxes in the six months ended June 30, 2020 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 2020 is equal to 24.0%, compared to an effective tax rate equal to 22.1% for financial year 2019.

33. Earnings per share

Earnings per share for the six months ended June 30, 2020, equal to Euro 0.53, have been computed by dividing the net income for the period attributable to the shareholders of the Issuer (Euro 19,873 thousand) by the weighted average number of Issuer shares outstanding during the six months ended June 30, 2020 (37,546,949 shares).

The diluted earnings per share for the six months ended June 30, 2020, equal to Euro 0.51, are determined considering the average number of potential shares with dilutive effect during the half

year ended June 30, 2020, 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 1,637,374.

34. 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.

35. 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 cost of the compensation of executive directors and/or 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, amounts to Euro 1,098 thousand in the six months ended June 30, 2020 (Euro 728 thousand in the six months ended June 30, 2019). The increase compared to the six months ended June 30, 2019 is mainly due to entrance in the Group of a manager with strategic responsibilities on July 8, 2019.

As of the date of approval of this interim consolidated financial report, the directors of the Company hold, directly or indirectly, 33.56% of the share capital of the Issuer, while the members of governing or controlling bodies and the managers with strategic responsibilities of the companies of the Group together hold 34.12% of the share capital of the Issuer.

36. 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.

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

In the six months ended June 30, 2020, 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.

38. 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 May 28, 2020, after June 30, 2020, the Group purchased 46,644 own shares, equal to 0.117% of the share capital.

In addition, after June 30, 2020, following the exercise of stock options by employees of the Group, the Issuer sold a total of 209,964 own shares in portfolio, equal to 0.525% of share capital.

As of the date of approval of this consolidated financial report the Issuer holds 2,365,639 own shares, equal to 5.914% of share capital, for a total cost equal to Euro 16,061 thousand.

39. Directors' approval

This report was approved by the Board of Directors for publication on September 4, 2020.

Milan, September 4, 2020

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

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, 2020.

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, 2020 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, 2020

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)

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 2020. The Directors of Gruppo 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, 2020 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 8 2020

EY S.p.A.
Signed by: Lorenzo Secchi, Statutory Auditor

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