

**CONSOLIDATED AND SEPARATE  
FINANCIAL STATEMENTS AT 30.06.2020**

**ASSTECA**  
CONSULTATIVE BROKER 

**CONSOLIDATED AND SEPARATE  
FINANCIAL STATEMENTS AT 30.06.2020**

**Report on operations**





Share capital euro 7,617,193.51 fully paid-up - Registered office in Milan, Via G. Sigieri 14

Company Register no. 09743130156 - RUI registration no. B000114899

39TH FISCAL YEAR

## CORPORATE POSITIONS

### BOARD OF DIRECTORS

Chairman

**Luciano Lucca**

Deputy Chairman

**Filippo Binasco**

Chief Executive Officer

**Gabriele Giacoma**

Chief Executive Officer

**Piero Avanzino**

Chief Executive Officer

**Alessio Dufour**

Chief Executive Officer

**Nicola Girelli**

Chief Executive Officer

**Carlo Orlandi**

Independent Director

**Jody Vender**

Director

**Emanuele Cordero di Vonzo**

Director

**Carlo Orlandi**

Director

**Roberto Quagliuolo**

Director

**Luca Bucelli**

Independent Director

**Ignazio Rocco di Torrepadula**

### BOARD OF STATUTORY AUDITORS

Chairman

**Michele Pirotta**

Standing Auditor

**Nicoletta Morrione**

Standing Auditor

**Luigi Garavaglia**

### INDEPENDENT AUDITORS

**Baker Tilly Revisa S.p.A. - Milan**

## REPORT ON OPERATIONS FOR THE YEAR ENDED 30 JUNE 2020

### ASSITECA S.P.A. OPERATIONS

ASSITECA S.p.A. is the Group's operating holding company operating in the insurance brokerage market. In particular, since 2014 the Group has been the largest independent Italian insurance broker and one of the main operators in the Italian market.

The insurance brokerage activities of ASSITECA are aimed at creating value for customers by assisting companies in the integrated management of business risks.

The Assiteca Group adopts an innovative approach to the management of corporate risks, enriching the traditional activity of insurance brokerage (consultancy and preliminary risk analysis, brokerage and market research on the best insurance solutions and management of the related insurance portfolio) with specific advisory services, aimed at completing the offer of insurance solutions with internal risk management tools.

ASSITECA is a leader in the middle market sector (companies with a turnover of more than Euro 2.5 million account for more than 70% of the Group's revenues).

In the interest of and on behalf of its customers, the Group interfaces with most of the leading global insurance groups and with all major national insurance companies, focusing mainly on the brokerage of non-life insurance policies.

Assiteca Group operates mainly in Italy through 20 offices distributed throughout the country, in Spain through its offices in Madrid and Barcelona, and in Switzerland, with the newly established company in Lugano.

As a member of EOS RISQ and Lockton Global, ASSITECA guarantees its customers a presence in more than 100 countries since it is able to benefit from an established network of corresponding brokers and international partners.

The Group also carries out its activities through specialist divisions competent in relation to each of the different risk areas that characterize the insurance brokerage activity.

In terms of size, the Group now brokers insurance premiums worth around Euro 750 million.

The following table shows the growth in the value of brokered premiums from 2016 to 2020.

Year*	Brokered premiums**
2016	620,000
2017	650,000
2018	680,000
2019	700,000
2020	750,000

*\*Closed on 30 June*

*\*\*data expressed in thousands of euro)*

## THE MARKET OF INSURANCE BROKERS

The following table summarises the main data relating to the insurance sector in Italy taken from the report of AIBA (Italian Insurance Brokers Association), highlighting the share managed by brokers, with details of that relating to the non-life sector.

### BROKER MARKET

	2014	2015	2016	2017	2018	2019
No. of companies and sole proprietorships	2,257	2,351	2,463	2,359	2,347	2,392
Broker premiums	16.71	16.29	16.64	15.00	15.95	15.38
Total premiums	152.63	157.60	144.14	141.5	145.0	149.9
broker market %	10.9%	10.3%	11.5%	10.6%	11.0%	10.3%

of which

### NON-LIFE BUSINESS

	2014	2015	2016	2017	2018	2019
Broker premiums	15.04	14.66	14.98	13.47	14.3	13.8
Total premiums	37.47	36.92	36.53	37.08	38.0	39.0
broker market %	40.1%	39.7%	41.0%	36.3%	37.8%	35.4%

(Monetary data in millions of euro)

The number of market operators is obtained from the RUI based on the entities actually operational. Moreover, the figure relating to sole proprietorships is estimated on the basis of the number of operating natural persons who do not hold positions in brokerage companies. Therefore, 1,661 companies and 731 sole proprietorships are operational for a total of 2,392 companies active on the Italian market in the various forms permitted by statutory and commercial regulations.

Premiums in the Italian insurance market (Italian and foreign companies, including the operations of European companies in Italy) recovered in 2019 in both the life (+3.6%) and non-life segments (+2.6%), when compared to the previous year.

Non-life written premiums amounted to Euro 39 billion, compared to Euro 38 billion in 2018.

Premiums managed by Italian brokers in 2019 amounted to Euro 15.38 billion, of which Euro 13.8 billion in the Non-Life business, with a decreasing market share of 35.4%.

In reality, these figures are underestimated, as they do not take into account the share of premiums brokered through insurance agents.

There are 1,661 insurance brokerage companies in Italy, with a geographical distribution concentrated in the Centre-North.

## **COMMENTS ON THE MAIN ECONOMIC AND FINANCIAL DATA OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS OF ASSITECA S.p.A.**

Dear Shareholders,

The financial year ended 30 June 2020 of ASSITECA S.p.A. shows the results summarised below.

For a correct reading of the comparison of the data with the previous financial year, it is necessary to state beforehand that in the current year the recognition of rights of use was introduced as provided for by IFRS 16, which has now become mandatory.

This resulted in the recognition of rights of use of Euro 11.4 million, lower lease payments (recognised as higher depreciation and interest) of Euro 3.6 million and higher financial payables of Euro 11.3 million.

The Consolidated Financial Statements show:

- Gross revenues of Euro 80.5 million (Euro 70.7 million at 30/06/2019, +14%);
- Net revenues of Euro 72.4 million (Euro 63.7 million at 30/06/2019, +14%);
- EBITDA of Euro 15.1 million (Euro 11.0 million at 30/06/2019, +38% which becomes +5% net of Euro 3.6 million deriving from the adoption of IFRS 16);
- EBIT of Euro 9.8 million (Euro 9.6 million at 30/06/2019, +3%);
- Net profit of Euro 5.5 million (Euro 5.4 million at 30/06/2019, +1%).

The adjusted net financial position, including payables for acquisitions, amounted to Euro 25 million, including Euro 11.3 million deriving from the adoption of IFRS 16, net of which (Euro 13.6 million) there was an improvement of Euro 9.7 million compared to the previous year (Euro 23.3 million net of IAS)

The following results were achieved with regard to the Financial Statements of the Parent Company ASSITECA S.p.A.:

- Revenues of Euro 54.3 million (Euro 52.2 million at 30/06/2019);
- EBITDA of Euro 10.2 million (Euro 6.9 million at 30/06/2019 - of which Euro 2.8 million derive from the adoption of IFRS 16);
- EBIT of Euro 6.5 million (Euro 5.8 million at 30/06/2019);
- Net profit of Euro 4.9 million (Euro 4.0 million at 30/06/2019).

### **SIGNIFICANT EVENTS IN THE 2019/20 FINANCIAL YEAR**

#### **COVID-19**

In commenting positively on the results for the year, we cannot leave out of consideration the particular moment the economy is going through as a result of the Covid-19 pandemic.

The main effects on the financial statements are mainly summarised by the slowdown in the growth of revenues with regard to the acquisition of new business on negotiations already started in the second half of the year, but which obviously could not be completed by the end of the reporting period. This effect was partially limited by the reduction of certain costs.

## SHARE CAPITAL INCREASE AND ACQUISITIONS

The financial year was characterised above all by a series of extremely important transactions, whose effects will have a significant impact on the future development of the ASSITECA Group and that we can summarise as follows:

- Share capital increase and entry of Tikehau into the corporate structure;
- Purchase of Assita S.p.A.;
- Purchase of Arena Broker S.r.l.;
- Purchase of 6sicuro S.p.A.;
- Purchase of the Lenza Broker business unit.

### TIKEHAU CAPITAL

In the first few days of August, ASSITECA reached an investment agreement with Tikehau Capital, alternative asset manager and investment group, which envisaged the entry of Tikehau Capital in ASSITECA's shareholding structure through a reserved share capital increase.

The transaction was completed on 5 November 2019 with Chaise S.p.A.'s subscription of a reserved share capital increase of Euro 25 million, corresponding to a minority share of 23.43%, at a subscription price of Euro 2.50 per share.

Chaise S.p.A. is a company indirectly and wholly owned by "Tikehau Growth Equity II", a pan-European professional private equity fund represented by the management company Tikehau Investment Management. With the transaction, ASSITECA strengthened its assets to more than Euro 50 million and acquired new financial resources to accelerate and pursue the growth project through acquisitions in Italy and Europe.

### ASSITA

On 30 July 2019, the purchase of 80% of the share capital of ASSITA S.p.A. Programmi Assicurativi Professionali Integrati was completed at Euro 2.8 million.

ASSITA S.p.A. is a leading multi-firm agency in Professional Civil Liability Insurance and the main reference insurance intermediary for Freelance Professionals such as Doctors, Lawyers, Accountants and Tax Advisors, Engineers and the associated Bodies, Associations, Trade Unions and Scientific Societies.

ASSITA, which has a secondary office in Rome, closed the year ended at 31 December 2018 with revenues of roughly Euro 2.2 million and EBITDA of roughly Euro 220 thousand.

The acquisition is part of ASSITECA's growth strategy through acquisitions aimed at strengthening the skills and the offer of products and services in specialised sectors, such as that of Professional Civil Liability Insurance, an insurance business that has undergone significant development in recent years, partly as a result of regulatory updates that have made insurance compulsory for certain orders.

### ARENA BROKER

At the end of November 2019, the purchase of 100% of the shares of Arena Broker S.r.l. - which was consolidated with effect from 1 July 2019 in that it was already actually controlled - was completed.

Established in Verona in 1990 on the initiative of Mauro Galbusera, a professional whose family has been active in insurance brokerage for over a century, Arena Broker S.r.l. has grown over the years to become one of the top Italian brokers. In 1998, Banca Popolare di Verona, now Banco BPM, considering the business of insurance



services strategic for its customers, took control by acquiring 57.3% of the share capital.

At 31 December 2018, the shareholders' equity of Arena Broker S.r.l. was over Euro 3 million, the portfolio currently amounts to approximately Euro 2.2 million. The price of the transaction, fully financed with own funds and paid at the same time as the transfer of the shares, is Euro 5.95 million.

The transaction establishes a company in Verona with a portfolio of around Euro 7 million that immediately positions itself as the largest insurance broker in the area.

ASSITECA has been present in the city of Verona since its establishment in 1982. Over the years, the office has developed considerably throughout the North East and now boasts a customer portfolio with important companies in the food, clothing, tanning and iron and steel sectors as well as strategic partnerships with local Confindustria Associations.

The company was merged into ASSITECA in July 2020.

#### **6SICURO S.p.A., leading insurance aggregator in Italy**

On 14 February 2020, ASSITECA S.p.A. completed the purchase of 78.79% of the share capital of 6SICURO S.p.A., in which it already held a 21.21% stake, thus acquiring 100% control of the company's share capital.

6SICURO S.p.A. is the third largest insurance aggregator in Italy. Founded by ASSITECA in 2000 as the first free online service for comparing car and motorcycle policies, it responds to consumers' need for savings, transparency and simplicity.

The acquisition is part of the development projects related to digital transformation.

The first half of 2020 - the company was consolidated for 6 months - was heavily penalised by the Covid effect as a result of the decreased attention by users to third-party motor insurance issues during the lockdown. The situation gradually improved in the second half of 2020.

#### **LENZA BROKER**

At the end of May, ASSITECA took over the Lenza Broker business unit based in Salerno with a view to strengthening its local presence.

#### **AIM ITALIA LISTING**

Based on the latest available information, 60.38% of the share capital of the parent company ASSITECA S.p.A. is held by Lucca's S.r.l., 23.98% by Chaise S.p.A. (Tikehau Capital), while 15.64% is free float on the stock exchange.

#### **ASSITECA AND THE MARKET**

The brokerage market in Italy has always been characterised by a strong concentration among a few large players of the brokered volumes, which has now been reduced to three companies (ASSITECA, Aon and Marsh).

This concentration was further accentuated as a result of the business combination between Aon and Willis and the strong growth of ASSITECA, which significantly increased the gap between us and the fourth broker (less than 20 million).

The objective of ASSITECA is to continue in this polarisation trend through the company's M&A activities, also in consideration of the role of large national aggregator that the Italian broker market now recognises in ASSITECA.

## CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2020

The main economic, financial and equity data are shown below, starting with the consolidated financial statements.

### INCOME STATEMENT

(amounts in €/000)		2019/20	2018/19	change
<b>Gross Revenues</b>		<b>80,519</b>	<b>70,753</b>	<b>9,766</b>
	Commission expense	(8,097)	(7,059)	
<b>Net Revenues</b>		<b>72,422</b>	<b>63,694</b>	<b>8,728</b>
	Operating costs	(57,284)	(52,686)	
<b>EBITDA</b>		<b>15,138</b>	<b>11,008</b>	<b>4,130</b>
	<i>as a % of gross revenues</i>	18.8%	15.6%	
	<i>as a % of net revenues</i>	20.9%	17.3%	
	Amortisation, depreciation and provisions	(5,304)	(1,449)	
<b>EBIT</b>		<b>9,834</b>	<b>9,559</b>	<b>275</b>
	Financial income (charges)	(657)	(808)	
	Income (charges) IAS 16, 17 and 19	(359)	(273)	
	Non-recurring income (charges)	(293)	(129)	
	Income taxes	(2,661)	(2,666)	
<b>Overall result</b>		<b>5,864</b>	<b>5,683</b>	<b>181</b>
	Profit for the period relating to minority interests	406	259	
<b>Profit (loss) for the period</b>		<b>5,458</b>	<b>5,424</b>	<b>34</b>

### REVENUE GROWTH

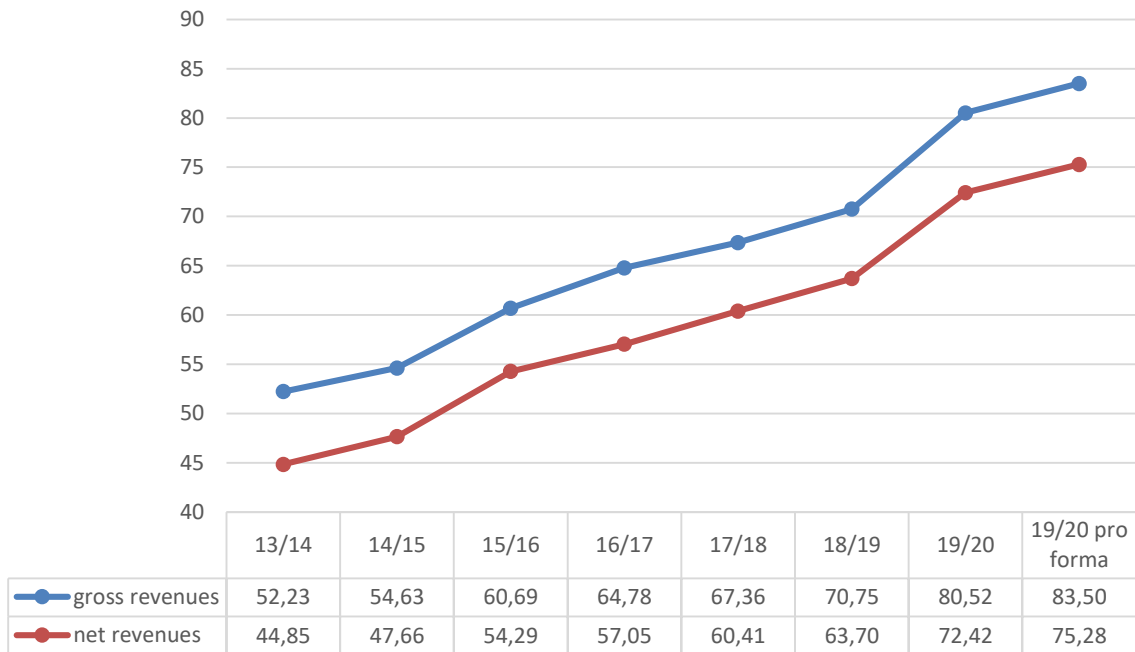
Consolidated revenues at 30 June 2020 grew by 14% due to M&A activities, even if in some cases not yet fully implemented, and internal growth related to the actions started in the previous year (for example, the parent company's revenues increased by 4%).

As regards the growth of the existing portfolio, the commercial activity was able to reap the benefits only in the pre-covid period.

It should be noted that the final revenues at 30 June 2020 do not include a half-year of 6sicuro, 11 months of Lenza and the entirety of Brosacor, a Spanish company whose contract was finalised in July. These pro-forma revenues totalled Euro 3 million.

The graph below clearly shows the trend of the pro forma figure.

**TREND IN REVENUES**



**EBITDA**

The strong growth in revenues was accompanied by an increase of approximately Euro 4.2 million in EBITDA, which is equal to 18.8% of gross revenues and 20.9% of net revenues.

We have already pointed out that this figure is positively affected by Euro 3.6 million resulting from the adoption of IAS 16, which then have a negative effect on depreciation and interest.

To this, however, we must add that, using the pro-forma figures of the companies acquired but not yet fully consolidated, **the pro-forma EBITDA amounted to Euro 16 million**. However, this figure does not include the savings that will be generated by synergies from post-acquisition activities.

## NET FINANCIAL POSITION

In this financial year, ASSITECA introduced the mandatory adoption of IAS/IFRS 16 relating to the recognition of rights of use (rents and leases) and the related financial payable, amounting to Euro 11,319,000, not present in the previous year.

The net financial position, net of this effect, amounted to Euro 13.6 million, an improvement of Euro 9.7 million compared to the previous financial year.

Consequently, the reduction in financial charges, net of interest deriving from the application of IAS, was 18.7%. The following table summarises the data at 30 June 2020, including IAS 16 recognition, highlighted for easier reading.

### GROUP NET FINANCIAL POSITION including IFRS 16

(amounts in €/000)	30/06/2020	30/06/2019	change
<i>Financial liabilities due within 12 months</i>	(14,916)	(21,812)	6,896
<i>Short-term financial payables for acquisitions</i>	(221)		(221)
<b>IFRS 16 short-term payables</b>	<b>(3,186)</b>	<b>0</b>	<b>(3,186)</b>
<i>Receipts in transit (*)</i>	3,160	4,387	(1,227)
<i>Total cash and cash equivalents</i>	8,689	7,010	1,679
<b>Short-term net financial position</b>	<b>(6,474)</b>	<b>(10,414)</b>	<b>3,940</b>
<i>Financial liabilities due after 12 months</i>	(10,061)	(12,678)	2,617
<b>IFRS 16 M/L term payables</b>	<b>(8,133)</b>	<b>0</b>	<b>(8,133)</b>
<i>Long-term payables for financial leasing recognition</i>	(289)	(221)	(68)
<b>M/L term net financial position</b>	<b>(18,483)</b>	<b>(12,899)</b>	<b>(5,584)</b>
<b>Total net financial position</b>	<b>(24,957)</b>	<b>(23,313)</b>	<b>(1,644)</b>
<b>DEBT COMPOSITION</b>	%		
<i>short-term</i>	26%		
<i>medium/long-term</i>	74%		

(\*) At 30 June 2020, the short-term net financial position includes receipts of Euro 3.16 million relating to premiums earned in the current year, for which customers made a transfer on 30 June 2020 and credited to the company's current accounts with value date 1 July 2020.

As better illustrated in the statement of cash flows, the main financial changes are summarised below:

<b>Opening net financial position</b>	<b>(23.3)</b>
<i>share capital increase</i>	25.0
<i>related costs</i>	(1.1)
<i>dividends paid</i>	(3.2)
<i>acquisitions</i>	(18.0)
<i>financial charges</i>	(1.0)
<i>capex</i>	(1.4)
<b><i>cash flow generated by investing/financing transactions</i></b>	<b>0.3</b>
<b><i>cash flow generated by current operations</i></b>	<b>9.4</b>
<b><i>total cash flow</i></b>	<b>9.7</b>
<i>recognition of right-of-use liabilities (IAS)</i>	(11.3)
<i>Closing net financial position</i>	(25.0)

Total indebtedness, including acquisition payables, was 0.46 times the equity (0.86 at 30/06/2019) and 1.65 times EBITDA (2.1 at 30 June 2019).

In the last few days of June, a new pool loan was signed, replacing the previous one that had expired, in order to provide the company with the necessary resources to further support growth through acquisitions.

The new pool totalling Euro 70 million included 4 lines: a revolving line to support working capital (Euro 10 million), a line dedicated to guarantees envisaged by the insurance code (up to Euro 15 million), a refinancing line for existing Capex (Euro 10 million) and a new Capex line dedicated to new acquisitions, usable by 30 June 2021 for an amount of Euro 35 million.

The importance of this last line, repayable in 7 years (including 18 months of pre-amortisation), as a support to the Group's growth plans through M&A transactions, is clear.

## CONSOLIDATED CASH FLOW STATEMENT - Change in NFP

(amounts in €/000)		30/06/2020	30/06/2019
<b>Opening net financial position</b>	<b>A</b>	<b>(23,313)</b>	<b>(23,722)</b>
<b>Cash flows from operating activities:</b>			
Profit (loss) for the period		5,863	5,683
Amortisation/Depreciation of fixed assets		1,945	1,021
Net change in provisions for personnel costs		892	2,039
Actuarial difference		54	(771)
Change in deferred tax assets		(230)	(78)
Reversal of financial income and charges		1,016	1,081
<b>Cash flow from operating activities before changes in working capital</b>		<b>9,540</b>	<b>8,974</b>
<b>Changes in current assets and liabilities:</b>			
(Increase) decrease in trade and other receivables		(732)	16
Increase (decrease) in trade and other payables		3,912	(334)
(Increase) decrease in other assets		(5,067)	(2,328)
Increase (decrease) in tax liabilities		298	588
Increase (decrease) in other liabilities		1,519	0
<b>Total changes in current assets and liabilities</b>		<b>(70)</b>	<b>(2,058)</b>
(Increase) decrease in non-current tax receivables		(61)	397
Increase (decrease) in other non-current liabilities		0	125
Increase (decrease) in financial liabilities beyond 12 months		0	
Net financial charges		(1,016)	
<b>Cash flow generated (absorbed) by operating activities</b>	<b>B</b>	<b>8,393</b>	<b>7,439</b>
<b>Cash flows from investing activities:</b>			
Net (investments) disposals of property, plant and equipment		(1,449)	(180)
Net (investments) disposals of intangible assets		(17,993)	(1,675)
(Investments) disposals of other financial assets		23	(959)
<b>Cash flow generated (absorbed) by investing activities</b>	<b>C</b>	<b>(19,419)</b>	<b>(2,814)</b>
<b>Cash flows from financing activities/share capital increase</b>		23,937	
Effects of changes in scope of consolidation (financial)			(297)
Distribution of dividends		(3,236)	(2,837)
<b>Cash flow generated (absorbed) by financing activities</b>	<b>D</b>	<b>20,701</b>	<b>(4,215)</b>
<b>Cash flows generated (absorbed) during the year</b>	<b>E = B+C+D</b>	<b>9,676</b>	<b>409</b>
<b>Closing net financial position</b>	<b>A + E</b>	<b>(13,638)</b>	<b>(23,313)</b>
<i>Recognition of financial payables for adoption of IAS16</i>		<i>(11,319)</i>	
<i>Net financial position including right-of-use liabilities</i>		<i>(24,957)</i>	<i>(23,313)</i>

## ECONOMIC PERFORMANCE OF ASSITECA S.p.A.

A summary of the income statement is provided below to comment on the result of the Parent Company.

### RECLASSIFIED INCOME STATEMENT OF ASSITECA S.p.A.

(amounts in €/000)		2020 FY	2019 FY	change	%
<b>Gross Revenues</b>		54,329	52,186	2,143	4%
	Commission expense	(4,991)	(4,701)		
<b>Net Revenues</b>		49,338	47,485	1,853	4%
	Operating costs	(39,100)	(40,542)		
<b>EBITDA</b>		10,239	6,943	3,296	47%
	<i>as a % of gross revenues</i>	18.8%	13.3%		
	<i>as a % of net revenues</i>	20.8%	14.6%		
	Amortisation, depreciation and provisions	(3,786)	(1,130)		
<b>EBIT</b>		6,453	5,813	640	11%
	Financial income (charges)	364	(231)		
	Non-recurring income (charges)	(167)	(76)		
	Income taxes	(1,740)	(1,531)		
<b>Profit (loss) for the period</b>		4,909	3,975	934	23%

As regards the Parent Company, the following should be noted.

- Revenues increased by 4%.
- EBITDA benefited from the adoption of IFRS 16 by 2,793: even net of this effect, the improvement was 7%.
- Financial operations improved by almost Euro 0.6 million due to lower financial charges (Euro 0.1 million) and higher income from dividends (EUR 0.5 million).
- This resulted in an increase in net profit of Euro 0.9 million.

## RELATIONS WITH SUBSIDIARY AND ASSOCIATED COMPANIES

The structure of the Group at the end of the reporting period is shown in the following table.





The table below shows the economic and financial transactions with these companies, all of which are governed by market conditions.

## RECEIVABLES FROM ASSOCIATED COMPANIES AND SUBSIDIARIES

Receivables from associated and subsidiary companies at 30 June 2020 are broken down as follows:

(amounts in euro)	Balance at 30/06/2020	Balance at 30/06/2019
Intercompany current account	11,255,618	9,353,272
Receivables from subsidiaries	2,966,339	1,270,441
<b>TOTAL RECEIVABLES FROM SUBSIDIARIES ASSOCIATED COMPANIES</b>	<b>14,221,957</b>	<b>10,623,713</b>

The company has a cash pooling contract with its subsidiaries. The breakdown of the balance by company is as follows:

(amounts in euro)	Balance at 30/06/2020
ASSITECA S.A.	6,879,946
A&B S.r.l.	846,425
ASSITECA Agricoltura S.r.l.	2,470,557
ASSITECA Consulting S.r.l.	1,058,689
<b>TOTAL CASH POOLING ACCOUNT</b>	<b>11,255,618</b>

The breakdown of receivables from subsidiaries for invoices to be issued and other receivables is summarised in the table below:

(amounts in euro)	Balance at 30/06/2020
ASSITECA Agricoltura S.r.l.	1,435,432
6sicuro S.p.A.	100
Artigian Broker S.r.l.	500
A&B S.r.l.	234
ASSITECA S.A.	18,171
Assita S.p.A.	31,007
ASSITECA BSA S.r.l.	1,480,200
ASSITECA Consulting S.r.l.	696
<b>TOTAL RECEIVABLES FROM SUBSIDIARIES</b>	<b>2,966,339</b>

## PAYABLES TO SUBSIDIARIES AND ASSOCIATED COMPANIES

(amounts in euro)	Balance at 30/06/2020	Balance at 30/06/2019
Intercompany current account	10,335,705	6,174,083
Payables to subsidiaries	80,312	
<b>TOTAL PAYABLES TO SUBSIDIARIES AND ASSOCIATED COMPANIES</b>	<b>10,416,017</b>	<b>6,174,083</b>

The company has a cash pooling contract and an intra-group current account with its subsidiaries. The breakdown of the debit balance due by company is as follows:

(amounts in euro)	Balance at 30/06/2020
Arena Broker S.r.l.	2,436,000
Socoupa S.A.	2,492,114
ASSITECA BSA S.r.l.	5,497,591
<b>TOTAL CASH POOLING ACCOUNT</b>	<b>10,335,705</b>

The breakdown of payables to subsidiaries for invoices to be received is summarised in the table below:

(amounts in euro)	Balance at 30/06/2020
ASSITECA BSA S.r.l.	60,312
ASSITECA Consulting S.r.l.	20,000
<b>TOTAL CASH POOLING ACCOUNT</b>	<b>80,312</b>

## TRANSACTIONS WITH RELATED PARTIES

This paragraph describes the relationships between the companies of the ASSITECA Group, as defined by IAS 24 and Consob Regulation no. 17221/2010 and subsequent amendments and additions, in the financial years ended 30 June 2020 and 30 June 2019, highlighting their impact on the income statement and balance sheet.

Transactions with related parties, as well as those of a financial nature (as mentioned above), are of a commercial nature and are carried out under normal market conditions.

The following table shows details by type of cost/income relating to transactions between ASSITECA S.p.A. and related parties in the year ended 30 June 2020.

(amounts in euro)	Artigian Broker S.r.l.	A&B S.r.l.	Arena Broker S.r.l.	ASSITECA SA	ASSITECA BSA S.r.l.	Assita S.p.A.	ASSITECA Agricoltura S.r.l.	6Sicuro S.p.A.	ASSITECA Consulting S.r.l.
<b>COSTS FOR ASSITECA S.p.A.</b>									
Commission expense	123,066	325,000			675,614	270	8,465		
Consulting services		780,620							1,275,855
<b>REVENUES TO ASSITECA S.p.A.</b>									
Commission income	1,063				1,316,624		1,452,099		
Other revenues	500				29,081	30,000	72,604	100	
Interest income		40,611		177,088	1,254		70,325		37,711
Dividends	250,000		200,000		450,000				80,000

The following table shows details by type of cost/income relating to transactions between ASSITECA S.p.A. and related parties in the year ended 30 June 2019.

(amounts in euro)	Artigian Broker S.r.l.	A&B S.r.l.	ASSITECA S.A.	ASSITECA BSA S.r.l.	ASSITECA Sicurezza Informatica S.r.l.	ASSITECA Agricoltura S.r.l.	ASSITECA Consulting S.r.l.
<b>COSTS FOR ASSITECA S.p.A.</b>							
Commission expense	31,174			620,935			
Consulting services		652,673					911,951
<b>REVENUES TO ASSITECA S.p.A.</b>							
Commission income				1,221,507		1,498,457	
Other revenues				22,586			
Interest income		45,565	150,203	200	338	41,719	26,002
Dividends				550,000			

#### Commitments and contingent liabilities

The only existing commitment consists of a bank guarantee of Euro 13,500,000, issued pursuant to Article 117, paragraph 3-bis of the Insurance Code.

#### Atypical and/or unusual and significant non-recurring transactions

No positions or transactions deriving from atypical and/or unusual transactions were reported, as defined by Consob Resolution 15519 of 27/07/2006 and Consob Communication DEM 6064293 of 28/07/2006.

### **Capital management**

The primary objective of ASSITECA S.p.A., lead company of ASSITECA Group, is to guarantee the best possible balance between the asset and liability structure (solvency ratio) both at corporate level and from the Group's overall point of view. Starting from this principle, the Company works, despite the complex financial market context, to identify the sources necessary to support the Group's industrial growth plans in the medium term. These sources must be found at the best market conditions, in terms of cost and duration, with the aim of maintaining the capital structure at an adequate level of soundness.

ASSITECA S.p.A. manages the capital structure and changes in accordance with changes in economic conditions and objectives of its strategic plans.

### **Additional information from IFRS 7**

The rules in IFRS 7 shall be applied by all entities to all financial instruments. Paragraph IN4 of the introduction specifies that IFRS 7 applies to all companies with few financial instruments, but the extent of the information required depends on the extent to which the company uses the financial instruments and is exposed to risk.

The Company is a commercial company whose only financial instruments are receivables from customers and payables to suppliers.

The Company has no commitments, guarantees or risks outstanding at the end of the year.

In the course of its business, the Company is exposed to various financial risks, including in particular the market risk in its main components and the exchange rate risk associated with currency trading.

Financial risks are managed by the administrative department, which evaluates all major financial transactions and implements the related hedging policies.

The Company has taken out appropriate insurance policies covering the risk of loss of ownership, product risk and the risk of potential liabilities arising from business interruption following exceptional events. This coverage is reviewed annually.

The following information is intended to provide indications of the extent of the company's exposure to risks in addition to the information already contained in the report on operations.

- a) Credit risk management: brokerage risk is related only to insurance premiums for which the Company declares coverage to the companies without having yet received the premium from the insured.
- b) Liquidity risk management: the Company's financing requirements and cash flows are coordinated with the aim of ensuring effective and efficient management of financial resources within the framework of treasury management centralised at Group level. Cash outflows from current operations are substantially financed by cash inflows from ordinary activities. Liquidity risk may arise only in the event of investment decisions in excess of cash and cash equivalents that are not preceded by sufficient and readily available sources of appropriate funding.
- c) Interest rate risk: the risk of fluctuations in interest rates over time is also closely related to liquidity risk. The Company takes steps to minimise the related cost, diversifying the sources of financing also in consideration of the rates applied and their variability over time. The medium/long-term loans in place are at variable rates. Short-term credit lines are at variable rate, with values that vary in the various forms of financing, and an average cost that in the financial year 2019/2020 was approximately 2.25%.

- d) An upward fluctuation of the market reference rates, which in the current international macro-economic context is not likely, could however determine a negative effect on its economic performance with the current structure of the Company's financing sources.
- e) Risk related to exchange rate fluctuations: the company has some premium income in dollars with consequent exposure to exchange rate risk. If the risk is evaluated as significant, specific forward purchase contracts for foreign currency are signed, in order to hedge against the risk of exchange rate fluctuations.

#### **Exposure to external and operational risks**

In carrying out its activities, the Company incurs risks deriving from external factors connected with the macroeconomic context or the sector in which it operates, as well as internal risks connected with the operational management of the same activity.

#### **Risks arising from the macroeconomic recession**

The unfavourable macroeconomic situation reduces the propensity to consume of customers, with the consequent risk of a reduction in revenues attributable to the reduction in volumes sold as well as to the reduction in commission expected in relation to the reduction in premiums for all variable-premium policies (typical example is the professional liability policy). This risk is mitigated by customer loyalty actions and by measures to rationalise production processes in terms of costs and product and service quality.

#### **Risk of managing relations with the Authorities**

Insurance brokerage activities are subject to administrative and legal regulatory constraints, in particular with reference to Personal Data Protection regulations and IVASS requirements. The Company is exposed to the risk of non-compliance with the rules set out in the Code for the Protection of Personal Data with regard to its end customers, which may lead to sanctions by the relevant Authority (Privacy Guarantor) and to the risk of non-compliance in the application of the information required by IVASS regulations. In the face of this risk, the Company has developed internal procedures to ensure that the processing of its end customers' data, both manually and electronically, always takes place in compliance with current legislation.

## **OTHER INFORMATION**

#### **Safety regulations**

It is confirmed that the company has long since put in place all the necessary requirements to protect the workplace, according to the provisions of the legislation on the subject (Legislative Decree 81/2008 formerly Law 626/94).

### Privacy Policy

Pursuant to Annex B, point 26, of Legislative Decree no. 196/2003, containing the Personal Data Protection Code, and pursuant to the European Regulation for the protection of personal data no. 2016/679 (GDPR), in force since 25 May 2018, the directors acknowledge that the company has adjusted the measures regarding the protection of personal data, in light of the provisions introduced by Legislative Decree no. 196/2003, according to the terms and conditions therein indicated.

### Organisational Model Legislative Decree 231/2001

It is acknowledged that the company has adopted and updated the Organisational Model provided for by Legislative Decree 231/2001, the Code of Ethics and has appointed the Supervisory Body.

### Legality rating

ASSITECA was awarded the Legality Rating.

The legality rating is an innovative tool, developed by the Antitrust Authority (AGCM) in agreement with the Ministries of Interior and Justice, introduced in 2012 in favour of Italian companies.

It is aimed at promoting and introducing principles of ethical conduct within the company, through the awarding of an award - measured in "stars" - indicative of respect for legality by companies that have applied for it and, more generally, of the degree of attention paid to the proper management of their business.

ASSITECA has been awarded two stars - one of the highest scores in the insurance industry - and is now one of the few insurance brokerage firms to have been awarded it.

\* \* \*

The following table, prepared in accordance with Article 149-*duodecies* of the Consob Issuers' Regulations, shows the contractual fees for the year ended 30 June 2020 for the services provided by the independent auditors Baker Tilly Revisa S.p.A., the Board of Statutory Auditors (both including VAT) and the remuneration paid to the directors.

(amounts in euro)	<b>2020</b>
Directors' remuneration	1,953,420
Fees paid to statutory auditors	53,787
Remuneration to the independent auditors	136,681
<b>TOTAL</b>	<b>2,143,588</b>

## SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

The following transactions took place after the reporting period.

### PURCHASE OF BROSACOR

In July 2020, the Spanish subsidiary ASSITECA SA completed the purchase of 100% of Brosacor, a Madrid-based broker specialised in employee benefits. The company has a portfolio of approximately one million commissions and an EBITDA of approximately 0.4 million.

The merger has already been launched and will be completed by the end of 2020.

### PRO-FORMA EBITDA

As a result of the transactions concluded, but in part not yet accounted for in the financial year just ended, the pro-forma figure representing the starting point for the next financial year is shown below.

		2019/20 PRO-FORMA	2019/20	Change
Gross Revenues		83,495	80,518	2,977
	Commission expense	(8,212)	(8,097)	
Net Revenues		75,283	72,421	2,862
	Operating costs	(59,277)	(57,284)	
EBITDA		16,006	15,137	869
	<i>as a % of gross revenues</i>	19.2%	18.8%	
	<i>as a % of net revenues</i>	21.3%	20.9%	

The pro-forma net financial position, compared to the statutory one, shows an increase of Euro 2.4 million (2.7 of the value of the Brosacor purchase net of 0.3 of the company's cash)

### ARENA BROKER MERGER

In July, the merger of Arena Broker into ASSITECA was completed.

This transaction is part of the integration policies of the acquired companies, with a view to obtaining synergies in both economic and commercial terms.

In the next financial year, ASSITECA will focus on integrating all the companies it has acquired and those to be acquired in the future in order to optimise the group's profitability.

### NEGOTIATIONS

ASSITECA currently has 4 active acquisition negotiations at an advanced stage (due diligence has already been completed for two), equally divided between Italy and Spain, some of which are expected to be successfully concluded during the current financial year.

### COVID PERSPECTIVES

To date, the Covid effect has only had an impact in the terms already described at the beginning, causing a slowdown in the acquisition of new customers.

At this time, the company is not able to determine the precise impact of Covid-19 on the next financial year. However, based on the most up-to-date information available, also due to the nature of the Group's activities and the containment measures promptly adopted by the company, limited impacts are expected at the economic level and on the investment programme.

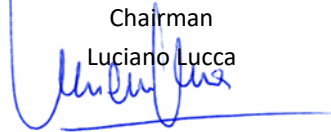
### DRAFT RESOLUTION ON THE RESULT FOR THE YEAR OF ASSITECA S.p.A. AT 30 JUNE 2020

Dear Shareholders,

On conclusion of our report, confident that you agree with the approach and criteria adopted in the preparation of the financial statements at 30 June 2020, we propose that you:

1. approve the financial statements of ASSITECA S.p.A. at 30 June 2020, which closed with a net profit of Euro 4,909,321;
2. allocate 5% to the legal reserve;
3. allocate Euro 0.07 per share to be distributed as dividends;
4. carry forward the residual amount.

For the Board of Directors  
Chairman  
Luciano Lucca







**ASSITECA GROUP**

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**CONSOLIDATED FINANCIAL  
STATEMENTS  
AT 30 JUNE 2020**

**Drawn up in accordance with IAS/IFRS  
international accounting standards**

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## STATEMENT OF FINANCIAL POSITION

(amounts in €/000)	Notes	30/06/2020	30/06/2019
<b>ASSETS</b>			
Intangible assets	1	58,544	40,793
Property, plant and equipment	2	13,350	1,713
Financial assets	3	1,540	3,537
Tax receivables	4	288	227
Deferred tax assets	5	1,891	1,661
<b>Total non-current assets</b>		<b>75,611</b>	<b>47,931</b>
Trade receivables and other trade assets	6	9,069	8,314
Tax receivables	7	1,308	1,438
Receivables from others	8	52,034	48,816
Cash and cash equivalents	9	8,689	6,870
<b>Total current assets</b>		<b>71,100</b>	<b>65,438</b>
<b>TOTAL ASSETS</b>		<b>146,711</b>	<b>113,369</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Share capital		7,617	5,832
Other reserves		39,844	14,976
Profit for the year		5,458	5,424
<b>Total Group shareholders' equity</b>		<b>52,919</b>	<b>26,233</b>
Capital and reserves of minority shareholders		432	392
Net income attributable to minority interests		406	258
<b>Total shareholders' equity attributable to minority interests</b>		<b>837</b>	<b>650</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>10</b>	<b>53,756</b>	<b>26,883</b>
Liabilities for pensions and severance indemnities	11	15,041	14,150
Miscellaneous payables and other liabilities	12	8,438	345
Financial liabilities due after 12 months	13	10,061	12,678
<b>Total non-current liabilities</b>		<b>33,541</b>	<b>27,173</b>
Financial liabilities due within 12 months	14	18,102	22,542
Trade payables	15	3,804	1,951
Tax and social security payables	16	3,861	3,563
Other liabilities	17	33,647	31,257
<b>Total current liabilities</b>		<b>59,414</b>	<b>59,313</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>146,711</b>	<b>113,369</b>

## STATEMENT OF COMPREHENSIVE INCOME

(amounts in €/000)	Notes	2020 FY	2019 FY
Revenues	18	79,004	69,836
Other income	19	1,515	918
<b>Total operating income</b>		<b>80,519</b>	<b>70,753</b>
Costs for services	20	28,459	23,841
Costs for use of third party assets	21	1,248	4,095
Personnel costs	22	32,951	29,420
Other operating costs	23	2,724	2,389
Amortisation, depreciation and write-downs	24	5,304	1,449
<b>Total operating costs</b>		<b>70,686</b>	<b>61,194</b>
<b>Operating result</b>		<b>9,833</b>	<b>9,560</b>
Financial income (charges)	25	(1,016)	(1,081)
Non-recurring income (charges)		(293)	(129)
<b>Profit (loss) before taxes</b>		<b>8,525</b>	<b>8,349</b>
Income taxes	26	2,661	2,666
<b>Net profit (loss) from continuing operations</b>		<b>5,863</b>	<b>5,683</b>
Profit (loss) for the period attributable to minority interests		406	259
<b>Profit (loss) for the period</b>		<b>5,458</b>	<b>5,424</b>

## STATEMENT OF OTHER COMPONENTS OF THE CONSOLIDATED COMPREHENSIVE INCOME STATEMENT (AS REQUIRED BY IAS 1)

(amounts in euro)	30/06/2020 FY	30/06/2019 FY
<b>Profit (loss) for the period</b>	<b>5,458</b>	<b>5,424</b>
<b>OTHER COMPONENTS OF COMPREHENSIVE INCOME</b>		
Actuarial profits (losses) from defined benefit plans	54	(771)
<b>Total other components of comprehensive income</b>	<b>5,512</b>	<b>4,653</b>
Income taxes relating to other components of comprehensive income	(13)	185
<b>Total other components of comprehensive income net of taxes</b>	<b>5,499</b>	<b>4,838</b>
<b>Total other components of comprehensive income attributable to minority interests</b>		
<b>Total comprehensive income for the period</b>	<b>5,499</b>	<b>4,838</b>

## STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (AS REQUIRED BY IAS 1)

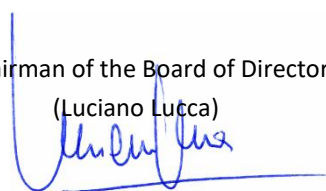
	Balance at 30/06/2018	Allocation of result for the year	Changes in scope of consolidation	Other changes	Balance at 30/06/2019	Allocation of result for the year	Share capital increase	Changes in scope of consolidation	Other changes	Balance at 30/06/2020
Share capital	5,832				5,832		1,785			7,617
Legal reserve	843	195			1,038	197				1,235
Share premium reserve	10,223				10,223		23,214			33,437
I.A.S./I.F.R.S. transition reserve	(187)				(187)			35	81	(71)
Share exchange difference	(1,265)				(1,265)					(1,265)
Actuarial reserve	(1,607)			(771)	(2,378)				54	(2,324)
Other reserves	6,041	4,393	(37)	(2,850)	7,547	5,227	(1,062)	107	(2,986)	8,833
Result for the year	4,588	(4,588)		5,424	5,424	(5,424)			5,458	5,458
<b>Total shareholders' equity</b>	<b>24,468</b>		<b>(37)</b>	<b>1,803</b>	<b>26,233</b>		<b>23,937</b>	<b>142</b>	<b>2,607</b>	<b>52,920</b>
Profit attributable to minority shareholders	378	(378)		258	258	(258)		0	406	406
Minority interests	260	378	(66)	(180)	392	258		31	(250)	431
<b>Total shareholders' equity</b>	<b>25,106</b>		<b>(103)</b>	<b>1,881</b>	<b>26,883</b>		<b>23,937</b>	<b>173</b>	<b>2,763</b>	<b>53,757</b>

## STATEMENT OF CASH FLOWS

(amounts in €/000)		30/06/2020	30/06/2019
Cash and cash equivalents		6,870	9,740
<b>Initial balance of cash and cash equivalents</b>	<b>A</b>	<b>6,870</b>	<b>9,740</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit (loss) for the period		5,863	5,682
Amortisation/Depreciation of fixed assets		4,902	1,021
Net change in provisions for personnel costs		892	2,039
Actuarial difference		54	(771)
Change in deferred tax assets		(230)	(78)
Reversal of financial income and charges		1,016	1,081
<b>Cash flow from operating activities before changes in working capital</b>		<b>12,497</b>	<b>8,973</b>
<b>CHANGES IN CURRENT ASSETS AND LIABILITIES:</b>			
(Increase) decrease in trade and other receivables		(1,026)	(92)
Increase (decrease) in trade and other payables		4,241	(2,229)
(Increase) decrease in other assets		(3,218)	(4,213)
Increase (decrease) in tax liabilities		298	588
Increase (decrease) in other liabilities		(4,439)	2,752
<b>Total changes in current assets and liabilities</b>		<b>(4,145)</b>	<b>(3,194)</b>
(Increase) decrease in non-current tax receivables		(61)	397
Increase (decrease) in other non-current liabilities		8,093	(47)
Increase (decrease) in financial liabilities beyond 12 months		(2,617)	(2,075)
Net financial charges		(1,016)	(1,081)
<b>Cash flow generated (absorbed) by operating activities</b>	<b>B</b>	<b>12,751</b>	<b>2,974</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Net (investments) disposals of property, plant and equipment		(15,649)	(180)
Net (investments) disposals of intangible assets		(18,640)	(2,163)
(Investments) disposals of other financial assets		1,997	(367)
<b>Cash flow generated (absorbed) by investing activities</b>	<b>C</b>	<b>(32,292)</b>	<b>(2,710)</b>
Cash flows from financing activities/share capital increase		23,937	
Effects of changes in scope of consolidation (financial)		660	(296)
Distribution of dividends		(3,236)	(2,837)
<b>Cash flow generated (absorbed) by financing activities</b>	<b>D</b>	<b>21,361</b>	<b>(3,133)</b>
<b>Cash flows generated (absorbed) during the year</b>	<b>E = B+C+D</b>	<b>1,820</b>	<b>(2,869)</b>
<b>Final balance of cash and cash equivalents</b>	<b>A + E</b>	<b>8,689</b>	<b>6,870</b>

The Chairman of the Board of Directors

(Luciano Lucca)



Statement of cash flows

**ASSITECA GROUP**

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**EXPLANATORY NOTES  
TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
AT 30 JUNE 2020**

**Drawn up in accordance with IAS/IFRS  
international accounting standards**

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## GENERAL INFORMATION

The Group was established in 1982 on the initiative of some professionals in the insurance industry and is now considered one of the most important groups of insurance brokerage in Italy. Since the creation of the first company, a development programme based on regional penetration has been developed, implemented through the acquisition or creation of local companies, which have led the Group to operate in 20 cities throughout Italy, located in the main national production and business centres.

This presence allows us to provide the customer with continuous advice and assistance, supported by a full range of customized services characterized by technical and commercial professionalism.

For some years now, the Group has also been present in Spain with offices in Madrid and Barcelona through its subsidiary ASSITECA SA and in Switzerland, in Lugano.

In Europe and worldwide, as a member of EOS RISQ, Lockton Global and Gallagher Global Alliance, it can guarantee a presence in over one hundred countries and offer a personalized service to its customers' requests, ensuring timeliness and efficiency in facing the new challenges of a global market. The ASSITECA Group, under the full control of the management, has become over time the only large independent entity from banking and industrial groups within the landscape of the main insurance brokerage companies.

The Group shareholders' equity is over Euro 50 million and its turnover at 30 June 2020 is approximately Euro 80 million.

In July 2015, the operating parent company ASSITECA S.p.A. was listed on AIM Italia, the market that the Stock Exchange dedicates to small and medium-sized Italian companies.

## DECLARATIONS OF CONFORMITY

The ASSITECA Group prepared the consolidated financial statements at 30 June 2020 in compliance with the IAS/IFRS international accounting standards and the related interpretations of the *International Financial Reporting Interpretations Committee* (IFRIC) and the *Standing Interpretations Committee* (SIC) issued by the *International Accounting Standards Board* (IASB) and approved by the European Community, as well as the measures issued in implementation of Article 9 of Legislative Decree 38/2005.

## FINANCIAL STATEMENTS STRUCTURE

The ASSITECA Group consolidated financial statements at 30 June 2020 for the financial year 1 July 2019 - 30 June 2020, consisting of the consolidated statement of financial position, the consolidated separate income statement, the consolidated cash flow statement and the explanatory notes (hereinafter the "consolidated financial statements") were approved by the Board of Directors of ASSITECA S.p.A. on 30 September 2020.

The financial statements are prepared in accordance with IAS 1 - Presentation of Financial Statements (revised). The structure of the statement of financial position incorporates the classification between "current assets" and "non-current assets", while with reference to the income statement the classification by nature has been

maintained, a form considered more representative than the presentation by destination (also called "cost of sales"). The cash flow statement was prepared using the indirect method.

Pursuant to Consob Resolution 15519 of 27 July 2006, the effects of transactions with related parties on the assets and liabilities side of the statement of financial position and on the income statement are shown in the financial statements. Transactions with related parties are identified according to the extended definition provided by IAS 24, i.e. including relations with administrative and control bodies as well as with managers with strategic responsibilities.

The consolidated financial statements are prepared in thousands of euros. All amounts included in the tables in the notes below, unless indicated otherwise, are expressed in thousands of euro.

## PREPARATION CRITERIA AND ACCOUNTING STANDARDS

The consolidated financial statements for the period 1 July 2019 - 30 June 2020 have been prepared in accordance with the IFRS adopted by the European Union and include the financial statements of ASSITECA S.p.A. and of the Italian and foreign companies over which the company has the right to exercise, directly or indirectly, control, determining their financial and operating decisions, and obtaining the relative benefits. For consolidation purposes, where the consolidated companies do not already prepare their individual financial statements in accordance with IFRS, the financial statements (for the Italian subsidiaries) and the accounting statements (for the foreign subsidiary) prepared in accordance with the valuation criteria set out in local regulations have been used, adjusted to bring them into line with IFRS.

The consolidated financial statements at 30 June 2020 have been prepared on a going concern basis.

The income statement data, changes in shareholders' equity and cash flows for the year ended 30 June 2020 are presented in comparative form with those for the period 1 July 2018 - 30 June 2019. The balance sheet figures at 30 June 2020 are presented in comparative form with those at 30 June 2019.

Subsidiaries are consolidated on a line-by-line basis from the date on which control was actually transferred to the Group and cease to be consolidated from the date on which control was transferred.

The subsidiaries included in the scope of consolidation at 30 June 2020 are as follows:

(amounts in €/000)	% pertaining to the Group	Share capital	Registered office
A & B Insurance and Reinsurance S.r.l.	100%	104	Milan
ASSITECA Consulting S.r.l.	100%	10	Milan
ASSITECA S.A.	100%	301	Madrid
Assita S.p.A.	80%	120	Milan
ASSITECA Agricoltura S.r.l.	100%	30	Verona
ASSITECA BSA S.r.l.	100%	49	Modena
Socoupa S.A.	100%	89	Neuchatel
6Sicuro S.p.A.	100%	599	Milan
Arena Broker S.r.l.	100%	500	Verona
Artigian Broker S.r.l.	50%	100	Rome

The scope of consolidation at 30 June 2020 underwent some changes compared to 30 June 2019 due to the acquisition of 80% of Assita S.p.A., 100% of 6Sicuro S.p.A. and 100% of Arena Broker S.r.l. In addition to the companies indicated above, there are A.S.T. S.r.l., with sole shareholder ASSITECA S.p.A., and ASSITECA S.A., with registered office in Lugano, where ASSITECA S.p.A. holds a stake of 52%. These companies were not included in the scope of consolidation in that they were not significant.

## ASSOCIATED COMPANIES

Associated companies are those in which the Group holds at least 20% of the voting rights or exercises significant influence, but not control, over financial and operating policies.

The associated companies are as follows:

(amounts in €/000)	Book value	Direct investment
ASSITECA SIM S.p.A.	404	4.2%
<b>Total investments in associated companies</b>	<b>404</b>	

There is also an investment in another company, with a book value of Euro 200 thousand, and an investment of 2.5% of the share capital, held through Artigianbroker.

## CONSOLIDATION PRINCIPLES

In the preparation of the consolidated financial statements, the assets, liabilities, costs and revenues of the consolidated companies are included on a line-by-line basis, attributing to minority shareholders in specific items of the statement of financial position and income statement their portion of shareholders' equity and of the result for the period.

The book value of the investment in each of the subsidiaries is eliminated against the corresponding portion of the shareholders' equity of each of the subsidiaries, including any fair value adjustments, at the date of acquisition of the related assets and liabilities; any residual difference is allocated to goodwill.

All intra-group balances and transactions, including any unrealised profits arising from transactions between Group companies, are eliminated. Profits and losses realised with associated companies are eliminated for the part pertaining to the Group. Intra-group losses are eliminated except where they represent accumulated impairment losses.

## CONVERSION OF FINANCIAL STATEMENTS IN CURRENCIES OTHER THAN THE EURO

The consolidated financial statements are presented in thousands of euros, which is also the functional currency in which all Group companies operate.

## **ACCOUNTING STANDARDS AND VALUATION CRITERIA OF REFERENCE**

### **INTANGIBLE ASSETS**

Intangible assets are non-monetary items, identifiable and without physical substance, controllable and capable of generating future economic benefits. These items are recorded at purchase and/or production cost, including directly attributable expenses for preparing the asset for use, net of accumulated amortisation and any impairment losses. The acquisition cost is the fair value of the price paid to acquire the asset plus all direct costs incurred to prepare the asset for use. The acquisition cost is the cash price equivalent at the date of recognition, therefore, if payment of the price is deferred beyond normal credit terms, the difference with respect to the cash price equivalent is recognised as interest over the period of deferred payment. For internally generated intangible assets, the process of formation of the asset is divided into the two phases of research (not capitalised) and the subsequent phase of development (capitalised). If the two phases cannot be separated, the entire project is considered research. The financial charges incurred for the acquisition are never capitalised.

Intangible assets acquired through business combinations are recognised at fair value at the acquisition date. Amortisation begins when the asset is available for use and is systematically allocated in relation to the residual possibility of use, i.e. based on its estimated useful life.

The book value of intangible assets is maintained in the financial statements to the extent that there is evidence that this value can be recovered through use or disposal. If there are signs that it may be difficult to recover the net book value, an impairment test is carried out.

The costs of software licenses are capitalised considering the costs incurred for the purchase and to make the software ready for use. These costs are amortised on a straight-line basis over the useful life of the software (5 years).

### **PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are recorded at purchase or production cost, including directly attributable incidental expenses, net of accumulated depreciation and impairment losses. The acquisition cost is the fair value of the price paid to acquire the asset plus any other direct cost incurred to prepare the asset for use. The acquisition cost is the cash price equivalent at the date of recognition, therefore, if payment of the price is deferred beyond normal credit terms, the difference with respect to the cash price equivalent is recognised as interest over the period of deferred payment. The financial charges incurred for the acquisition are never capitalised. The capitalisation of costs relating to the expansion, modernisation or improvement of structural elements owned or in use by third parties is carried out only to the extent that they meet the requirements to be classified separately as an asset or part of an asset. Ordinary maintenance costs are charged to the income statement. After initial recognition, property, plant and equipment are recorded at cost, net of accumulated depreciation and any impairment losses. The depreciable value of each significant component of a tangible asset with a different useful life is allocated on a straight-line basis over its expected useful life.

Depreciation is recognised from the moment in which the tangible asset is available for use or is potentially able to provide the economic benefits associated with it. Depreciation is calculated on a straight-line basis at rates considered representative of the useful life of the tangible asset. The depreciation criteria used, the useful lives and residual values are reviewed and redefined at least at the end of each administrative period to take account of any significant changes.

The book value of property, plant and equipment is maintained in the financial statements to the extent that there is evidence that this value can be recovered through use. If there are signs that it may be difficult to recover the net book value, an impairment test is carried out.

The depreciation rates applied are as follows:

▪ furniture and furnishings	12%;
▪ office machinery	18%;
▪ computers	20%;
▪ telephone systems	15%;
▪ cars	25%.

For fixed assets purchased during the year, the above coefficients have been calculated at 50%.

## LEASED ASSETS

Financial lease contracts, which substantially transfer to the Group all the risks and rewards deriving from the ownership of the leased asset, are capitalised on the starting date of the lease at the fair value of the leased asset or, if lower, at the present value of the lease payments. The instalments are divided pro rata between the principal and the interest in order to obtain the application of a constant interest rate on the outstanding balance of the debt. Financial charges are charged directly to the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the duration of the lease contract, if there is no reasonable certainty that the Group will obtain ownership of the asset at the end of the contract.

Operating lease instalments are recognised as costs in the income statement on a straight-line basis over the term of the contract.

With these financial statements, the company implemented all the changes required by IFRS 16 regarding operating leases.

## INVESTMENTS

Investments in associates and other companies are recorded at cost, adjusted for accumulated impairment losses, determined based on an impairment test.

## IMPAIRMENT OF ASSETS

An impairment loss arises whenever the carrying amount of an asset exceeds its recoverable amount. At each reporting date, any indicators suggesting the existence of impairment are assessed. In the presence of these indicators, the recoverable amount of the asset is estimated (impairment test) and any impairment loss is recognised. For assets not yet available for use, assets recognised in the current financial year, intangible assets with an indefinite useful life and goodwill, the impairment test is carried out at least once a year regardless of the presence of these indicators. The recoverable amount of an asset is the higher of its fair value net of costs to sell and its value in use. The recoverable amount is calculated for an individual asset, unless the asset is not capable of generating cash inflows from continuous use, largely independent of the cash inflows generated by other assets or groups of assets, in which case the test is carried out at the level of the smallest independent cash-generating unit that includes the asset in question (Cash Generating Unit).

The fair value corresponds to the market price (net of disposal costs), provided that the asset is marketed in an active market. A market can reasonably be considered to be active on the basis of the frequency of transactions and the volumes generated by them.

In determining value in use, future cash flows, referring to a period of time not exceeding five years, are estimated on the basis of prudent assumptions based on historical experience and making precautionary forecasts about the future performance of the reference sector and are discounted to their present value using a pre-tax rate that reflects current market assessments of the value of money and risks specific to the asset; the terminal value is determined on the basis of the perpetual return.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, it is reduced to its recoverable amount. An impairment loss is recognised in the income statement immediately. When an impairment loss is no longer justified, the carrying amount of the asset (or cash-generating unit), with the exception of goodwill, is increased to the new value resulting from the estimate of its recoverable amount, but not beyond the net carrying amount that the asset would have had if the impairment loss had not been recognised. The reversal of the impairment loss is immediately recognised in the income statement as income; after a reversal of the impairment loss has been recognised, the depreciation charge for the asset is adjusted in future periods in order to allocate the modified carrying amount, net of any residual values, on a straight-line basis over its remaining useful life.

Under no circumstances may the value of goodwill previously written down be restored to its original value.

## FINANCIAL ASSETS

Financial assets are classified in the following categories:

- financial assets at fair value through profit or loss;
- financial assets held to maturity;
- loans and other financial receivables;
- financial assets available for sale.

The Group determines the classification of financial assets at the time of acquisition as follows:

- financial assets at fair value through profit or loss: financial assets mainly acquired with the intention of realising a profit from short-term price fluctuations (not exceeding 3 months) or designated as such from inception;
- financial assets held to maturity: investments in financial assets with a fixed maturity and fixed or determinable payments that the Group intends and is able to hold to maturity;
- loans and other financial receivables: financial assets with fixed or determinable payments, not listed on an active market and other than those classified from inception as financial assets at fair value through profit or loss or as financial assets available for sale;
- financial assets available for sale: financial assets other than those mentioned in the previous sections or those designated as such from inception.

Purchases and disposals of financial assets are accounted for at the settlement date. Initial recognition is made at the fair value of the acquisition date, taking into account transaction costs.

After initial recognition, financial assets at fair value through profit or loss and assets available for sale are measured at fair value, financial assets held to maturity and loans and other financial receivables are measured at amortised cost. Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are recognised in the income statement in the year in which they occur. Unrealised gains and losses arising from changes in the fair value of assets classified as available for sale are recognised in equity. The fair values of financial assets are determined on the basis of listed offer prices or using financial models. The fair values of unlisted financial assets are estimated using specific valuation techniques adapted to the specific situation of the issuer. Financial assets for which the current value cannot be determined reliably are recognised at cost less impairment losses.

## **TRADE RECEIVABLES AND OTHER CURRENT ASSETS**

Trade receivables and other current assets are recorded at their fair value identified by the nominal value and subsequently reduced for any impairment losses through the allocation of a specific provision for bad debts, adjusting the value of assets.

Receivables with a maturity of more than one year, which are non-interest bearing or which accrue interest below market rates, are discounted using market rates. At each reporting date, indicators of impairment are verified. The previously recognised impairment loss is reversed if the circumstances that led to its recognition no longer exist.



## CURRENT AND DEFERRED TAXES

Taxes for the year represent the sum of current and deferred taxes.

Current taxes are based on the taxable income for the year. Taxable income differs from the result reported in the income statement in that it excludes positive and negative components that will be taxable or deductible in other years and also excludes items that will never be taxable or deductible. Current tax liabilities are calculated using the rates in force or actually in force at the end of the reporting period. Deferred tax assets are calculated on the temporary differences between the book value of assets and liabilities in the statement of financial position and the corresponding tax value. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets, including assets relating to prior tax losses, are recognised to the extent that it is probable that there will be future taxable income from which they can be recovered.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that there will be sufficient future taxable income to guarantee the recovery of all or part of these assets.

Deferred taxes are calculated based on the tax rate that is expected to be in force when the asset is sold or the liability is settled. Deferred taxes are charged directly to the income statement with the exception of those relating to items recognised directly in equity, in which case the related deferred taxes are also charged to equity.

Tax assets and liabilities are offset when there is a legal right to offset current tax assets and liabilities.

## CASH AND CASH EQUIVALENTS

Cash on hand and cash equivalents are represented not only by cash on hand, but also by short-term investments with high liquidity, easily convertible into known amounts of money and subject to a negligible risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash, demand or time deposits with banks, other liquid short-term financial assets with an average original maturity of no more than three months, and current account overdrafts. For the purposes of drawing up the statement of financial position, the latter are included in financial payables under current liabilities.

## FINANCIAL LIABILITIES

Financial liabilities consist of financial payables. Financial liabilities are initially recognised at fair value plus transaction costs; they are subsequently measured at amortised cost, i.e. at the initial value, net of principal repayments already made, adjusted (increased or decreased) based on the amortisation (using the effective interest method) of any differences between the initial value and the value at maturity.

## **EMPLOYEE BENEFITS**

Guaranteed employee benefits paid on or after termination of employment through defined benefit plans (in the case of Italian companies, severance indemnities) are recognised over the vesting period of the entitlement. Liabilities relating to defined-benefit plans, net of any plan assets, are determined based on actuarial assumptions and are recognised on an accrual basis in line with the work required to obtain the benefits; the liabilities are valued by independent actuaries.

Gains and losses arising from actuarial calculations are periodically charged to the separate income statement (between labour costs and financial charges).

## **TRADE PAYABLES AND OTHER CURRENT LIABILITIES**

Trade payables and other current liabilities, whose due date is within normal commercial and contractual terms, are not discounted and are recorded at nominal value.

## **PROVISION FOR RISKS AND CHARGES**

Provisions for risks and charges represent probable liabilities of uncertain amount and/or maturity deriving from past events, the fulfilment of which will require the use of economic resources. Provisions are made exclusively in the presence of a current obligation, legal or implicit, which requires the use of economic resources, provided that a reliable estimate of the obligation can be made. The amount recognised as a provision represents the best estimate of the charge necessary to settle the obligation at the reporting date. Provisions are reviewed at each reporting date and adjusted to represent the best current estimate. Where it is expected that the financial outlay relating to the obligation will occur after normal payment terms and the effect of discounting is significant, the amount of the provision is represented by the present value of the expected future payments for the extinction of the obligation. Contingent assets and liabilities are not recognised in the financial statements; however, adequate information is provided in this regard.

## **FOREIGN CURRENCY TRANSACTIONS**

Financial statement items are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are prepared in thousands of euro.

Receivables and payables originally expressed in foreign currency are recorded based on the exchange rates in force at the closing date of the financial year.

In particular, current assets and liabilities, as well as non-current financial receivables, are entered at the spot exchange rate at the closing date of the period. Gains and losses arising from the conversion of receivables and payables are credited and debited respectively to the income statement.

Any net profit deriving from the adjustment of foreign currency items to period-end exchange rates contributes to the formation of the result for the period and, upon approval of the financial statements and consequent allocation of the result for the year, the portion not absorbed by any loss is entered in a non-distributable

reserve in shareholders' equity until its subsequent realisation. Revenues and income, costs and expenses relating to foreign currency transactions are determined at the exchange rate prevailing on the date on which the transaction is carried out.

## **POSITIVE AND NEGATIVE INCOME COMPONENTS**

In terms of recognition of revenues and costs, the Group follows the accrual basis of accounting. Revenues from sales and services are recognised respectively when the actual transfer of the relevant risks and benefits deriving from the transfer of ownership takes place and are also measured at the fair value of the consideration received or due, taking into account the value of any discounts. Revenues from the provision of services are determined on the basis of the percentage of completion, defined as the ratio between the amount of services rendered at the reference date and the total value of services expected.

Costs for the creation of catalogues are recorded at the time of receipt of the related services.

Costs are allocated according to criteria similar to those for the recognition of revenues and, in any case, according to the accrual principle.

Interest income and expense is recognised on an accruals basis, taking into account the effective interest rate applicable.

Dividends are recorded in the year in which the distribution is approved.

Research and development costs are expensed when incurred.

There are no development costs that meet the requirements of IAS 38 to be capitalised.

## **CHANGES IN ACCOUNTING STANDARDS, ERRORS AND CHANGES IN ESTIMATES**

The accounting standards adopted are changed from one year to the next only if the change is required by a standard or if it contributes to providing more reliable and relevant information on the effects of the transactions carried out on the Group's statement of financial position, income statement or cash flows.

Changes in accounting standards are accounted for retrospectively, with the effect on shareholders' equity of the first of the financial years presented; comparative information is adjusted accordingly. The prospective approach is only taken when it is impractical to reconstruct comparative information. The application of a new or amended accounting standard is accounted for as required by the standard itself. If the standard does not govern the transition procedures, the change is accounted for using the retrospective method, or if impracticable, the prospective method.

In the case of material errors, the same treatment as for the changes in accounting standards described in the previous paragraph is applied. In the case of immaterial errors, the accounting is carried out in the income statement in the period in which the error is detected.

Changes in estimates are accounted for prospectively in the income statement, in the year in which the change occurs if it affects only the latter; in the year in which the change occurs and in subsequent years if the change also affects the latter.

## **EVENTS AFTER THE REPORTING PERIOD**

These events are those that occur after the reporting period until the date on which publication is authorised. The date on which the financial statements are authorised for publication is the date of approval by the Board of Directors. This date is indicated in the "General Information" section at the beginning of these Notes.

These events can refer to facts that provide evidence of situations existing at the end of the reporting period (adjusting subsequent events) or facts that provide evidence of situations arising after the reporting period (non-adjusting subsequent events). The effects of the former are reflected in the financial statements and the information provided is updated; whereas if the latter are significant, only adequate information is provided in the Explanatory Notes.

## **BUSINESS COMBINATIONS**

Business combinations are accounted for using the purchase cost method.

In relation to this method, the costs of the business combination are allocated through the recognition at fair value of the assets and liabilities acquired, as well as the identifiable potential liabilities and equity instruments issued at the date of the transaction, in which the costs directly attributable to the acquisition are added.

The positive difference between the purchase cost and the portion of the fair value of the assets, liabilities and potential liabilities identifiable at purchase is recorded as goodwill among the assets and subjected at least annually to an impairment test. If the difference is negative, it is either recorded directly in the income statement or entered under liabilities in a specific provision for risks if it represents future losses.

Acquisition transactions between parties controlled by common entities that constitute transactions between entities "under common control" are not currently regulated by IFRS and therefore in accordance with the provisions of IFRS, the accounting treatment of such combinations is based on practice or on a body of similar accounting standards. On the basis of these criteria, the acquisition is accounted for keeping the historical values and any difference in price paid compared to the historical values reflected in the financial statements of the acquired entity is treated as a distribution/capital contribution to/from the controlling shareholders.

## **MAIN CAUSES OF UNCERTAINTY IN ESTIMATES**

The preparation of the financial statements and related Explanatory Notes in accordance with IFRS requires the Group to make estimates and assumptions that have an effect on the values of assets and liabilities in the consolidated financial statements and on the information relating to contingent assets and liabilities. The estimates and assumptions used are based on experience and other factors considered relevant. The results may therefore differ from these estimates. Estimates and assumptions are reviewed periodically and the effects of any changes made to them are reflected in the income statement in the period in which the estimate is revised if the revision affects only that period, or also in subsequent years if the revision affects both the current and future periods.

Estimates are mainly used to recognise impairment losses on recognised assets, to determine revenue for the period, provisions for bad debts, taxes and other provisions and funds.

The current economic and financial context continues to be characterised by great volatility and uncertainty. Therefore, the estimates made are based on assumptions regarding the future performance of revenues, costs and cash flows, which are characterised by a high degree of uncertainty, and therefore it cannot be excluded that in future years results will be significantly different from those estimated, which could lead to adjustments, which cannot be estimated or predicted at present, to the book values of the relevant items. For further details on the estimates made, please refer to the specific notes that follow.

## ACCOUNTING STANDARDS

The 2019/2020 consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union, as well as the provisions issued in implementation of Article 9 of Legislative Decree no. 38/2005. IFRS also means all the revised international accounting standards (IAS), all the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) previously known as Standing Interpretations Committee (SIC).

The accounting standards adopted in the preparation of these consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statements at 30 June 2020, with the exception of the following with regard to amendments and interpretations applicable from 1 July 2020.

## ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED AS FROM 1 JULY 2019

The nature and impact of each standard/amendment are listed below:

**IFRS 9 - Financial Instruments:** the series of amendments made by the new standard includes the introduction of a logical model for the classification and measurement of financial instruments, a single model for the impairment of financial assets based on expected losses and a renewed approach to hedge accounting. The company availed itself of the right to adopt the simplified standard provided by said IFRS 9, in relation to trade receivables, contract assets and lease receivables.

**IFRIC 23 - Uncertainty over Income Tax Treatments:** contains guidance on the accounting of tax assets and liabilities (current and/or deferred) relating to income taxes in the presence of uncertainties in the application of tax legislation.

**IFRS 16 - Leases:** principles for the recognition, measurement, presentation and disclosure of lease contracts for both parties involved and replaces the previous standard IAS 17 "Leases". IFRS 16, defines a lease as a contract that transfers to the customer (lessee), in exchange for consideration, the right to use an asset for a specified period of time; the distinction for the lessee between operating and finance leases is eliminated, and a single accounting model is introduced whereby a lessee is required to recognise assets and liabilities for all leases due in more than 12 months, unless the underlying asset is of low value, and to recognize separately in the income statement the depreciation of the assets with respect to interest expense.

## ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE AND NOT ADOPTED IN ADVANCE BY THE COMPANY

The following are the standards which, at the date of preparation of the financial statements, had already been issued but were not yet in force. The Group intends to adopt these standards when they enter into force.

On 18 May 2017, the IASB issued IFRS 17 “Insurance Contracts”, which defines the accounting of insurance contracts issued and the reinsurance contracts held. The provisions of IFRS 17, which supersede those currently set forth in IFRS 4 “Insurance Contracts”, are effective for financial years starting on or after 1 January 2023 (postponed in the year 2020 from 2021 to 2023).

On 22 October 2018, the IASB issued amendments to IFRS 3 “Business Combinations”, aimed at providing clarifications on the definition of a business. The amendments to IFRS 3 are effective for financial years starting on or after 1 January 2022 (postponed in the year 2020 from 2020 to 2022).

On 31 October 2018, the IASB issued amendments to IAS 1 and to IAS 8 “Definition of Material”, aimed at clarifying, and making uniform within the IFRS and other publications, the definition of relevance with the purpose of supporting businesses with formulating judgements on the matter. In particular, information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of the financial statements make on the basis of those financial statements. The amendments to IAS 1 and to IAS 8 are effective for financial years starting on or after 1 January 2020.

**IFRS 10** Consolidated Financial Statements and **IAS 28** Investments in Associates and Joint Ventures (amendments): sale or contribution of assets between an investor and its associates or joint ventures. The complete profit (or loss) is recognised when a transaction refers to a business segment (whether or not it is within a subsidiary). A partial profit or loss is recognised when a transaction involves assets that do not constitute a business segment, even if these assets are in a subsidiary. At the reporting date, the competent bodies of the European Union postponed indefinitely the endorsement process necessary for the application of the amendment and the effective date.

The Company will adopt these new standards, amendments and interpretations, on the basis of the expected date of application, and will assess their potential impacts, when they are endorsed by the European Union.

## INFORMATION ON THE STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME

The individual items of the statement of financial position and income statement are commented on below.

### NOTE 1 - INTANGIBLE ASSETS

The composition and changes in intangible assets at 30 June 2020 are shown in the table below:

(amounts in euro)	Balance at 30/06/2019	Changes in scope of consolidation	Acquisitions	Disposals	Amortisation, and write-downs	Balance at 30/06/2020
Goodwill/Merger deficit	35,665	3,023	867	0	(191)	39,364
Other intangible assets	824	1,162	656	0	(698)	1,944
Consolidation reserve	4,304	12,933	0	0	0	17,237
<b>Total intangible assets</b>	<b>40,793</b>	<b>17,117</b>	<b>1,523</b>	<b>0</b>	<b>(889)</b>	<b>58,544</b>

#### Goodwill

Goodwill came to Euro 39,364 thousand at 30 June 2020 and the changes in the scope of consolidation are mainly due to the goodwill recognised in 6sicuro S.p.A., of which all the shares were recognised during the year. The change in consolidation differences derives from the acquisitions of 6sicuro S.p.A., Assita S.p.A. and Arena Broker S.r.l., carried out during the year.

#### Goodwill impairment test

Goodwill in that a fixed asset with an indefinite useful life recognised as a fixed asset at 30 June 2020 and at 30 June 2019, was tested for impairment.

This assessment, carried out at least once a year, was carried out at the level of the cash generating units (CGUs) to which the value of goodwill can be allocated.

In order to determine the recoverable amount, reference was made to the value in use determined using the "Discounted cash flow" method, which estimates future cash flows and discounts them using a rate that coincides with the weighted average cost of capital (WACC).

The following data were used and the following assumptions were made in order to carry out these impairment tests:

- the financial data were taken from the Group's 2021-2025 five-year business plan (1 July 2020 - 30 June 2025) (detailed at the level of the Cash Generating Units - CGUs into which the Group is divided). The business plan was approved by the Executive Committee;
- to determine the cash flows, the EBITDA of each CGU was used as the starting point and the value of the investments was deducted;
- these cash flows were discounted on the basis of the weighted average cost of capital employed (WACC), net of tax, determined on the basis of the following reference parameters:
  - *risk free rate*: yield on ten-year issues in the countries where the CGUs operate

- *beta*: determined taking as reference the observations (source: Damodaran) relating to a panel of comparables;
- *market premium*: yield differential between the risk-free rate and the share remuneration of the sector in the geographical context in which the CGU operates;
- *average borrowing rate*: cost related to the sources of financing from third parties of the Group to which the CGU belongs.

Cash flows were discounted using a WACC, net of the related tax effect, between 7.3% and 9.8%, in accordance with the individual parameters reported above and relating to each CGU. In particular, the expected growth rate "g" after the five-year period covered by the business plan, to be used to determine the terminal value was assumed to be 2% in line with the projection curve of the relevant business plan and lower than the growth rate of the sector.

The impairment tests carried out showed recoverable amounts in excess of the carrying amounts of goodwill in the Group's financial statements.

#### Other intangible assets

The increases for the year refer to the acquisition of new software licenses for the use of the management information system and for increases in trademarks.

## NOTE 2 - PROPERTY, PLANT AND EQUIPMENT

The breakdown of and changes in property, plant and equipment at 30 June 2020 are shown in the table below:

(amounts in €/000)	Balance at 30/06/2019	Changes in scope of consolidation	Other changes	Acquisitions	Disposals	Depreciation and write- downs	Balance at 30/06/2020
<b>NET VALUES</b>							
Equipment	14.01	0.33	-	-	-	-5.43	9
Cars	303.24	41.68	-	171.41	-20.70	-155.02	341
Mobile phones	350.08	5.97	-	47.00	-0.06	-98.80	304
Rights of use	-	371.82	14,413.97	216.89	-180.75	-3,399.83	11,422
Buildings	-	59.52	175.00	-	-	-35.59	199
Telephone system	11.27	6.46	-	22.17	-	-6.38	34
Electronic machines	527.25	52.39	-	81.71	-0.23	-206.70	454
Office furniture and furnishings	507.44	105.89	-	90.84	-12.02	-105.33	587
<b>Total net values</b>	<b>1,713</b>	<b>644</b>	<b>14,589</b>	<b>630</b>	<b>(214)</b>	<b>(4,013)</b>	<b>13,350</b>



### NOTE 3 - FINANCIAL ASSETS

The breakdown of this item at 30 June 2020 and 30 June 2019 is shown below:

(amounts in €/000)	Balance at 30/06/2020	Balance at 30/06/2019
Investments in subsidiaries	117	117
Investments in associated companies	404	2,948
Investments in non-consolidated subsidiaries	200	200
Receivables from others	818	272
<b>Total financial assets</b>	<b>1,540</b>	<b>3,537</b>

The investment in non-consolidated subsidiaries includes the investments in the companies A.S.T. S.r.l. and Assiteca S.A. Lugano, as indicated above, for Euro 117 thousand.

Investments in associated companies decreased following the acquisition of 100% of the company 6Sicuro S.p.A.

#### Receivables from others

The amount of Euro 818 thousand at 30 June 2020 is composed primarily of security deposits.

### NOTE 4 - TAX RECEIVABLES (NON-CURRENT)

This item is broken down at 30 June 2020 and 30 June 2019:

(amounts in €/000)	Balance at 30/06/2020	Balance at 30/06/2019
Receivables from tax authorities for reimbursement I.R.A.P. year 2013	93	53
Other receivables from tax authorities	194	174
<b>Total long-term tax receivables</b>	<b>288</b>	<b>227</b>

### NOTE 5 - DEFERRED TAX ASSETS

Deferred tax assets were determined on the temporary differences between taxable income and the result of the financial statements by applying the I.R.E.S. rate of 24% and the I.R.A.P. rate of 3.9%.

### NOTE 6 - TRADE RECEIVABLES AND OTHER TRADE ASSETS

Trade receivables were broken down as follows at 30 June 2020 and 30 June 2019:

(amounts in €/000)	Balance at 30/06/2020	Balance at 30/06/2019
Trade receivables	6,423	5,517
Prepayments	2,646	2,798
<b>Total trade receivables and other trade assets</b>	<b>9,069</b>	<b>8,314</b>

The increase in trade receivables is mainly due to the increase in commission income for the year. Prepayments are calculated on the basis of commissions that will have a future cash flow but whose right to be received has already accrued to Group companies.

## NOTE 7 - TAX RECEIVABLES (CURRENT)

The breakdown of this item at 30 June 2020 and 30 June 2019 is shown below:

(amounts in €/000)	Balance at 30/06/2020	Balance at 30/06/2019
I.R.E.S. receivables	765	870
I.R.A.P. receivables	86	65
V.A.T.	28	2
Research and Development receivables	393	452
Other receivables	35	50
<b>Total tax receivables</b>	<b>1,308</b>	<b>1,438</b>

## NOTE 8 - RECEIVABLES FROM OTHERS

The breakdown of this item at 30 June 2020 and 30 June 2019 is shown below:

(amounts in €/000)	Balance at 30/06/2020	Balance at 30/06/2019
Receivables from policyholders and companies (commissions and premiums)	40,188	39,214
Claims advances	1,834	341
Receivables from employees	29	394
Other	9,982	8,867
<b>Total receivables from others</b>	<b>52,034</b>	<b>48,816</b>

## NOTE 9 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows:

(amounts in €/000)	Balance at 30/06/2020	Balance at 30/06/2019
Bank and postal deposits	8,554	6,688
Cash at bank and in hand	135	182
<b>Total cash and cash equivalents</b>	<b>8,689</b>	<b>6,870</b>

The balance represents cash and cash equivalents on bank and postal current accounts and the existence of cash and cash equivalents at the end of the period.

The value of cash and cash equivalents is deemed to be in line with their fair value.

## NOTE 10 - SHAREHOLDERS' EQUITY

The composition of the Group shareholders' equity and the changes with respect to the previous year are shown in the table below:

(amounts in €/000)	Balance at 30/06/2018	Allocation of result for the year	Changes in scope of consolidation	Other changes	Balance at 30/06/2019	Allocation of result for the year	Share capital increase	Changes in scope of consolidation	Other changes	Balance at 30/06/2020
Share capital	5,832				5,832		1,785			7,617
Legal reserve	843	195			1,038	197				1,235
Share premium reserve	10,223				10,223		23,214			33,437
I.A.S./I.F.R.S. transition reserve	(187)				(187)			35	81	(71)
Share exchange difference	(1,265)				(1,265)					(1,265)
Actuarial reserve	(1,607)			(771)	(2,378)				54	(2,324)
Other reserves	6,041	4,393	(37)	(2,850)	7,547	5,227	(1,062)	107	(2,986)	8,833
Result for the year	4,588	(4,588)		5,424	5,424	(5,424)			5,458	5,458
<b>Total shareholders' equity</b>	<b>24,468</b>	<b>-</b>	<b>(37)</b>	<b>1,803</b>	<b>26,233</b>	<b>-</b>	<b>23,937</b>	<b>142</b>	<b>2,607</b>	<b>52,920</b>
Profit attributable to minority shareholders	378	(378)		258	258	(258)		0	406	406
Minority interests	260	378	(66)	(180)	392	258		31	(250)	431
<b>Total shareholders' equity</b>	<b>25,106</b>	<b>-</b>	<b>(103)</b>	<b>1,881</b>	<b>26,883</b>	<b>-</b>	<b>23,937</b>	<b>173</b>	<b>2,763</b>	<b>53,757</b>

The changes in shareholders' equity in the year ended 30 June 2020 were as follows:

- the share capital increase of Euro 1,785 thousand refers to the subscription made on 5 November 2019 by Chaise S.p.A., corresponding to a minority share of 23.43% at a subscription price of Euro 2.50 per share. As a result of this transaction, the share premium reserve was also increased by Euro 23,215 thousand, resulting in the total payment by Chase S.p.A. of Euro 25 million, net of the costs incurred for the transaction;

- increase in the legal reserve due to the allocation of the previous year's profit;
- increase in profits carried forward of Euro 789 thousand due to the allocation of the previous year's profit;
- actuarial profit on defined benefit plans for employees of Euro 16 thousand recognised in accordance with IAS 19;
- increase in the first time adoption reserve following the introduction of the standards envisaged by IAS 16 for Euro 80 thousand;
- distribution of dividends to third parties of Euro 3,236 thousand (ASSITECA Euro 2,986 and Artigianbroker 250).

The table below shows the reconciliation between the shareholders' equity of the Parent Company and the consolidated shareholders' equity.

(amounts in €/000)

**Reconciliation statement between the shareholders' equity of the Parent Company and the consolidated shareholders' equity at 30/06/2020**

	PROFIT FOR THE YEAR	SHAREHOLDERS' EQUITY
Balances as per the parent company financial statements	4,909	52,293
Reversal of dividends from Group companies	(980)	
Pro-rata net profits earned by the companies of the Group	1,529	
Differences in the pro-rata value of the shareholders' equity compared to the carrying amount of the investments in consolidated companies		627
<b>Total group shareholders' equity</b>	<b>5,458</b>	<b>52,920</b>
Minority interests		431
Profit attributable to minority shareholders	406	406
<b>Total Consolidated</b>	<b>5,864</b>	<b>53,757</b>

## NOTE 11 - LIABILITIES FOR PENSIONS AND SEVERANCE INDEMNITIES

This item includes all pension obligations and other benefits in favour of employees, subsequent to the termination of employment or to be paid on maturity of certain requirements, and is represented by provisions for severance indemnities relating to Group personnel.

At 30 June 2020, liabilities for pensions and severance indemnities amounted to Euro 15,041 thousand (Euro 14,150 thousand at 30 June 2019).

Changes in the period are shown below:

(amounts in €/000)	Balance at 30/06/2020	Balance at 30/06/2019
Balance at the beginning of the year	14,150	12,111
Provisions for the year	1,255	1,167
Changes in scope of consolidation	487	433
Uses	(780)	(469)
Actuarial loss (profit) recorded	(71)	908
<b>Total liabilities for pensions and severance indemnities</b>	<b>15,041</b>	<b>14,150</b>

Changes during the period reflect provisions and disbursements, including advances, made during the year ended 30 June 2020.

The provision for employee severance indemnities is part of the defined benefit plan.

The Project Unit Cost method was used to determine the liabilities, broken down into the following phases:

- possible future benefits that could be provided to each employee in the event of retirement, death, disability, resignation, etc. were projected on the basis of a series of financial assumptions (increase in the cost of living, salary increase, etc.). The estimate of future benefits will include any increases corresponding to the additional length of service accrued as well as the expected increase in the level of remuneration received at the valuation date;
- the average present value of future benefits was calculated on the basis of the annual interest rate adopted and the probability that each benefit will actually be paid at the end of the reporting period;
- the liability for the company has been defined by identifying the portion of the average present value of future services that refers to the service already accrued by the employee at the valuation date;
- the reserve recognised as valid for IFRS purposes has been identified on the basis of the liability determined in the previous point and the reserve set aside in the financial statements for Italian civil law purposes.

More specifically, the following assumptions have been made:

<b>Financial</b>	
Wage growth rate	1.95%
Annual discount rate	0.80%
Annual inflation rate	1.70%
<b>Demographics</b>	
Mortality	ISTAT 2018 divided by sex and age
Disability	INPS tables divided by age and sex
Retirement age	100% upon achievement of AGO requirements

## NOTE 12 - MISCELLANEOUS PAYABLES AND OTHER NON-CURRENT LIABILITIES

This item is broken down at 30 June 2020 and 30 June 2019:

(amounts in €/000)	Balance at 30/06/2020	Balance at 30/06/2019
Long-term payables for financial leasing recognition	289	171
Payables for recognition of rights of use	8,133	0
Other long-term payables	17	175
<b>Total long-term payables</b>	<b>8,438</b>	<b>345</b>

Payables for long-term acquisitions have been reduced to zero because the instalments due are, at the date of approval of these financial statements, within the year and therefore reclassified in the specific section.

## NOTE 13 - FINANCIAL LIABILITIES DUE AFTER 12 MONTHS

This item is broken down at 30 June 2020 and 30 June 2019:

(amounts in €/000)	Balance at 30/06/2020	Balance at 30/06/2019
Unsecured debt - Intesa San Paolo	0	
Unsecured debt - UBI	257	764
Unsecured debt - Creval	0	670
Unsecured debt - Banco Popolare	0	512
Unsecured debt - Biver	0	427
Unsecured debt - Banco Desio	0	1
Unsecured debt - Banca di Piacenza	0	0
Unsecured debt - Banco di Sardegna	888	1,386
Capex line - Banca Intesa pool	8,917	8,917
<b>Total financial liabilities due after 12 months</b>	<b>10,061</b>	<b>12,678</b>

## NOTE 14 - FINANCIAL LIABILITIES DUE WITHIN 12 MONTHS

This item is broken down at 30 June 2020 and 30 June 2019:

(amounts in €/000)	Balance at 30/06/2020	Balance at 30/06/2019
Short-term payables for financial leasing recognition	312	184
Payables for recognition of rights of use	3,186	
Current accounts	14,604	10,357
Revolving pool loan	0	12,000
<b>Total financial liabilities due within 12 months</b>	<b>18,102</b>	<b>22,542</b>

These are mainly payables on credit lines granted by banks on ordinary current accounts. The revolving pool loan is a credit line disbursed for a total amount of 24 million euro by a pool of credit institutions led by Intesa San Paolo.

The other loans consist of hot money lines and unsecured bank loans for the principal to be repaid within the next financial year.

## NOTE 15 - TRADE PAYABLES

This item is broken down at 30 June 2020 and 30 June 2019:

(amounts in €/000)	Balance at 30/06/2020	Balance at 30/06/2019
Payables to suppliers	3,770	1,912
Accrued expenses and deferred income	34	39
<b>Total trade payables</b>	<b>3,804</b>	<b>1,951</b>

## NOTE 16 - TAX AND SOCIAL SECURITY PAYABLES

This item is broken down at 30 June 2020 and 30 June 2019:

(amounts in €/000)	Balance at 30/06/2020	Balance at 30/06/2019
Tax payables	2,251	2,073
Social security payables	1,610	1,490
<b>Total tax and social security payables</b>	<b>3,861</b>	<b>3,563</b>

Tax payables mainly refer to payables for withholding taxes applied to employees or self-employed work.

Social security payables refer to amounts owed to social security institutions, INPS and supplementary pension funds.

## NOTE 17 - OTHER LIABILITIES

Other liabilities at 30 June 2020 mainly refer to the payable to companies for premiums already received by the company and not yet paid, shown net of commissions already accrued.

The breakdown of this item is as follows:

(amounts in €/000)	Balance at 30/06/2020	Balance at 30/06/2019
Payables to companies	28,825	26,230
Payables to policyholders	1,885	2,315
Payables to employees	1,549	1,295
Other payables	1,389	1,418
<b>Total other liabilities</b>	<b>33,647</b>	<b>31,257</b>

#### Guarantees, sureties and other commitments undertaken by the company

(amounts in €/000)	Balance at 30/06/2020	Balance at 30/06/2019
Guarantees, sureties and other commitments	13,500	13,000
<b>Total memorandum accounts</b>	<b>13,500</b>	<b>13,000</b>

The amount of Euro 13,500,000 is related to bank guarantees issued pursuant to Article 117, paragraph 3 bis of the Insurance Code.

#### NOTE 18 - REVENUES

The Group's revenues derive from the following activities:

(amounts in €/000)	2020	2019
Commissions	72,700	65,195
Consulting services	6,304	4,641
<b>Total revenues</b>	<b>79,004</b>	<b>69,836</b>

The revenues of the companies belonging to the Group increased compared to the previous year.

#### NOTE 19 - OTHER INCOME

This item, amounting to Euro 1,515 thousand at 30 June 2020 (compared with Euro 918 thousand at 30 June 2019), mainly refers to administrative fees charged by the Group to its customers.

#### NOTE 20 - COSTS FOR SERVICES

In the 2019/2020 and 2018/2019 financial years, the breakdown of this item is as follows:



(amounts in €/000)	2020	2019
Commission expense	8,097	7,059
Consulting services and collaborations	6,230	4,522
Postal, telephone and telefax	652	543
Travel and transfers	704	887
Directors' emoluments	6,642	5,585
Board of statutory auditors' fees	71	57
Other costs for services	6,062	5,188
<b>Total costs for services</b>	<b>28,459</b>	<b>23,841</b>

The increase in directors' costs is mainly due to the increase in the number of directors resulting from acquisitions and the increase in advisory board fees.

#### NOTE 21 - COSTS FOR USE OF THIRD PARTY ASSETS

This item breaks down as follows:

(amounts in €/000)	2020	2019
Rent payable and expenses	675	2,374
Car rental/hardware	573	1,721
<b>Total costs for use of third party assets</b>	<b>1,248</b>	<b>4,095</b>

The Group has long-term rental contracts for cars granted as benefits to employees and operating leases for hardware equipment.

The difference with the previous year is due to the entry into force of IFRS 16.

#### NOTE 22 - PERSONNEL COSTS

The breakdown of this item for the year ended 30 June 2020 and the year ended 30 June 2019 is shown below:

(amounts in €/000)	2020	2019
Salaries and wages	23,793	21,337
Social security charges	7,597	6,671
Severance indemnities	1,547	1,401
Other costs	14	12
<b>Total personnel costs</b>	<b>32,951</b>	<b>29,420</b>

Personnel costs increased compared to the previous year due to the increase in the workforce in 2019/2020.

(number of employees at 30 June)	2020	2019
Managers	22	24
Middle managers	117	102
Staff	469	423
Trainee employee	7	0
Worker	1	0
<b>Total</b>	<b>616</b>	<b>549</b>

## NOTE 23 - OTHER OPERATING COSTS

Other operating costs for the year ended 30 June 2020 amounted to Euro 2,724 thousand, an increase compared to the previous year.

## NOTE 24 - AMORTISATION, DEPRECIATION AND WRITE-DOWNS

Amortisation, depreciation and write-downs amounted to Euro 5,304 thousand compared with Euro 1,449 thousand in the year ended 30 June 2019. This item breaks down as follows:

(amounts in €/000)	2020	2019
Amortisation of intangible assets	889	417
Depreciation of property, plant and equipment	4,013	604
Other write-downs of fixed assets	-	-
Provision for receivables	402	429
<b>Total amortisation/depreciation and write-downs</b>	<b>5,304</b>	<b>1,449</b>

## NOTE 25 - FINANCIAL INCOME AND CHARGES

The breakdown of this item is as follows:

(amounts in €/000)	2020	2019
<b>FINANCIAL INCOME:</b>		
Interest income and financial income	27	28
Exchange gains	44	35
<b>Total financial income</b>	<b>71</b>	<b>63</b>
<b>FINANCIAL CHARGES:</b>		
Exchange losses	25	83
Interest expense and financial charges	703	787
Interest expense - IAS 17	359	273
<b>Total financial charges</b>	<b>1,087</b>	<b>1,144</b>
<b>Total financial income (charges)</b>	<b>(1,016)</b>	<b>(1,081)</b>

## NOTE 26 - INCOME TAXES

The breakdown of this item for the year ended 30 June 2020 and the year ended 30 June 2019 is shown below:

(amounts in €/000)	2020	2019
I.R.E.S. for the year	643	1,945
I.R.A.P. for the year	698	707
I.R.E.S. deferred tax assets	1,321	11
I.R.A.P. deferred tax assets	0	3
<b>Total</b>	<b>2,661</b>	<b>2,666</b>

## COMMITMENTS AND CONTINGENT LIABILITIES

There are no commitments or liabilities that derive from obligations in progress and for which the use of resources capable of meeting the obligation is probable, which are not already reflected in the financial statements at 30 June 2020.

## CAPITAL MANAGEMENT

The primary objective of the ASSITECA Group is to ensure the best possible balance between the structure of assets and liabilities (solvency ratio) both at corporate level and from the Group's overall point of view. Starting from this principle, the parent company works, even in a complex financial market context, to identify the sources necessary to support the Group's industrial growth plans in the medium term. These sources must be found at the best market conditions, in terms of cost and duration, with the aim of maintaining the capital structure at an adequate level of soundness.

The Group manages the capital structure and changes it to reflect changes in economic conditions and the objectives of its strategic plans.

## ADDITIONAL INFORMATION FROM IFRS 7

The rules in IFRS 7 shall be applied by all entities to all financial instruments. Paragraph IN4 of the introduction specifies that IFRS 7 applies to all companies with few financial instruments, but the extent of the information required depends on the extent to which the company uses the financial instruments and is exposed to risk.

The Group is a commercial group whose only financial instruments are trade receivables and trade payables.

The Group has no commitments, guarantees or risks outstanding at the end of the year.

In the course of its business, the Group is exposed to various financial risks, including in particular the market risk in its main components and the exchange rate risk associated with currency trading.

Financial risks are managed by the administrative department, which evaluates all major financial transactions and implements the related hedging policies.

The Group has taken out appropriate insurance policies covering the risk of loss of ownership, product risk and the risk of potential liabilities arising from business interruption following exceptional events. This coverage is reviewed annually.

The following is a series of information designed to provide information on the extent of the Group's exposure to risks in addition to the information already contained in the report on operations.

- a. Credit risk management: brokerage risk is related only to insurance premiums for which the Group declares coverage to the companies without having yet received the premium from the insured.
- b. Liquidity risk management: the Group's financing requirements and cash flows are coordinated with the aim of ensuring effective and efficient management of financial resources within the framework of centralised treasury management. Cash outflows from current operations are substantially financed by cash inflows from ordinary activities. Liquidity risk may arise only in the event of investment decisions in excess of cash and cash equivalents that are not preceded by sufficient and readily available sources of appropriate funding.
- c. Interest rate risk: the risk of fluctuations in interest rates over time is also closely related to liquidity risk. The Group takes steps to minimise the related cost, diversifying the sources of financing also in consideration of the rates applied and their variability over time. The medium/long-term loans in place are at variable rates. Short-term credit lines are at variable rate, with values that vary in the various forms of financing, and an average cost that in the 2019/2020 financial year was approximately 2.25%. An upward fluctuation in market reference rates, which in the current international macroeconomic context is not likely, given the current structure of the Group's sources of financing, could in any case have a negative effect on its economic performance.
- d. Risk associated with exchange rate fluctuations: the Group has some premium income in dollars, with consequent exposure to exchange rate risk. If the risk is evaluated as significant, specific forward purchase contracts for foreign currency are signed, in order to hedge against the risk of exchange rate fluctuations.

#### **Exposure to external and operational risks**

In carrying out its activities, the Group incurs risks deriving from external factors connected with the macroeconomic context or the sector in which it operates, as well as internal risks connected with the operational management of the activity itself.

#### **Risks arising from the macroeconomic recession**

The unfavourable macroeconomic situation reduces the propensity to consume of customers, with the consequent risk of a reduction in revenues attributable to the reduction in volumes sold as well as to the reduction in commission expected in relation to the reduction in premiums for all variable-premium policies (typical example is the professional liability policy). This risk is mitigated by customer loyalty actions and by measures to rationalise production processes in terms of costs and product and service quality.

#### **Risk of managing relations with the Authorities**

Insurance brokerage activities are subject to administrative and legal regulatory constraints, in particular with reference to Personal Data Protection regulations and IVASS requirements. The Group is exposed to the risk of

non-compliance with the rules set out in the Code for the Protection of Personal Data with regard to its end customers, which may lead to sanctions by the relevant Authority (Privacy Guarantor) and to the risk of non-compliance in the application of the information required by IVASS regulations. In the face of this risk, the Group has developed internal procedures to ensure that the processing of its end customers' data, both manually and electronically, always takes place in compliance with current legislation.

## SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

### PURCHASE OF BROSACOR

In July 2020, the Spanish subsidiary ASSITECA SA completed the purchase of 100% of Brosacor, a Madrid-based broker specialised in employee benefits. The company has a portfolio of approximately one million commissions and an EBITDA of approximately 0.4 million.

The merger has already been launched and will be completed by the end of 2020.

### PRO-FORMA EBITDA

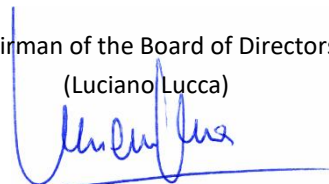
As a result of the transactions concluded, but in part not yet accounted for in the financial year just ended, the pro-forma figure representing the starting point for the next financial year is shown below.

The pro-forma net financial position, compared to the statutory one, shows an increase of Euro 2.4 million (2.7 of the value of the Brosacor purchase net of 0.3 of the company's cash).

		2019/20 PRO-FORMA	2019/20	change
Gross Revenues		83,495	80,518	2,977
	Commission expense	(8,212)	(8,097)	
Net Revenues		75,283	72,421	2,862
	Operating costs	(59,277)	(57,284)	
EBITDA		16,006	15,137	869
	<i>as a % of gross revenues</i>	19.2%	18.8%	
	<i>as a % of net revenues</i>	21.3%	20.9%	

The pro-forma net financial position, compared to the statutory one, shows an increase of Euro 2.4 million (2.7 of the value of the Brosacor purchase net of 0.3 of the company's cash).

The Chairman of the Board of Directors  
(Luciano Lucca)





**BOARD OF STATUTORY AUDITORS' REPORT TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

Signori Azionisti,

L'organo di amministrazione in data 30 settembre 2020 ha approvato il progetto di bilancio consolidato al 30 giugno 2020 che sarà sottoposto all'esame degli azionisti.

Il bilancio consolidato per l'esercizio chiuso al 30 giugno 2020 è stato redatto in applicazione dei principi contabili internazionali (International Accounting Standards - IAS e International Financial Reporting Standard - IFRS) emanati dall'International Accounting Standards Board – IASB, omologati dalla Commissione Europea ed attualmente in vigore.

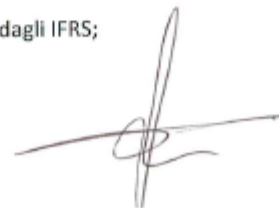
A norma del D.Lgs. 27 gennaio 2010, n. 39 e dell'art. 41 comma 2 del D.Lgs. 9 aprile 1991, n. 127, il compito di verificare la conformità del bilancio consolidato alle norme di legge e la sua corrispondenza alle risultanze delle scritture contabili e di consolidamento è attribuito alla Società di Revisione.

La nostra attività di vigilanza è stata svolta in osservanza dei principi di comportamento del Collegio Sindacale emanati dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti contabili e ha riguardato in particolare:

- la verifica dell'esistenza e dell'adeguatezza nell'ambito della struttura organizzativa di Assiteca S.p.A. di una funzione responsabile dei rapporti con le società controllate e collegate;
- l'esame della composizione del gruppo e dei rapporti di partecipazione, al fine di valutare la determinazione dell'area di consolidamento e la sua variazione rispetto al precedente bilancio;
- l'ottenimento delle informazioni sull'attività svolta dalle imprese controllate e sulle operazioni di maggior rilievo economico finanziario e patrimoniale nell'ambito dei rapporti di gruppo tramite le informazioni ricevute dagli amministratori di Assiteca S.p.A. e dalla Società di Revisione.

Sulla base dei controlli espletati e degli accertamenti eseguiti, il collegio ha accertato:

- la correttezza delle modalità seguite nell'individuazione dell'area di consolidamento e l'adozione di principi di consolidamento conformi a quanto previsti dagli IFRS;



1



- il rispetto delle norme di legge inerenti la formazione e l'impostazione del bilancio consolidato e della relazione sulla gestione;
- l'adeguatezza dell'organizzazione presso la capogruppo per quanto riguarda l'afflusso delle informazioni nelle procedure di consolidamento.

Informiamo che la società di revisione Baker Tilly Revisa S.p.A ha emesso in data odierna la propria relazione con un giudizio positivo sul bilancio al 30 giugno 2020.

Tenuto conto di quanto sopra esposto e sulla base delle verifiche da noi effettuate diamo atto che il bilancio consolidato è conforme agli *International Financial Reporting Standards* adottati dall'Unione Europea.

Milano, 12 ottobre 2020

Per il Collegio sindacale

Il Presidente

(Michele Pirotta)



**RELAZIONE DELLA SOCIETÀ DI REVISIONE INDIPENDENTE  
AI SENSI DELL'ART. 14 DEL D.LGS. 27 GENNAIO 2010, n. 39**

**Baker Tilly Revisa S.p.A.**

Società di Revisione e  
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*Agli Azionisti della Assiteca S.p.A.*

**RELAZIONE SULLA REVISIONE CONTABILE DEL BILANCIO CONSOLIDATO**

**Giudizio**

Abbiamo svolto la revisione contabile del bilancio consolidato del Gruppo Assiteca (il Gruppo), costituito dalla situazione patrimoniale e finanziaria al 30 giugno 2020, dal conto economico, dal prospetto delle altre componenti del conto economico complessivo, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario per l'esercizio chiuso a tale data e dalle note illustrative al bilancio che includono anche la sintesi dei più significativi principi contabili applicati.

A nostro giudizio, il bilancio consolidato fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria del Gruppo al 30 giugno 2020, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data, in conformità agli International Financial Reporting Standards adottati dall'Unione Europea.

**Elementi alla base del giudizio**

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio consolidato* della presente relazione. Siamo indipendenti rispetto alla società Assiteca S.p.A. in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

**Responsabilità degli amministratori e del collegio sindacale per il bilancio consolidato**

Gli amministratori sono responsabili per la redazione del bilancio consolidato che fornisca una rappresentazione veritiera e corretta in conformità agli International Financial Reporting Standards adottati dall'Unione Europea e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli amministratori sono responsabili per la valutazione della capacità del Gruppo di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio consolidato, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli amministratori utilizzano il presupposto della continuità aziendale nella redazione

del bilancio consolidato a meno che abbiano valutato che sussistono le condizioni per la liquidazione della capogruppo Assiteca S.p.A. o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il collegio sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria del Gruppo.

### **Responsabilità della società di revisione per la revisione contabile del bilancio consolidato**

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio consolidato nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche prese dagli utilizzatori sulla base del bilancio consolidato.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio consolidato, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze e non per esprimere un giudizio sull'efficacia del controllo interno del Gruppo;
- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli amministratori, inclusa la relativa informativa;
- siamo giunti ad una conclusione sull'appropriatezza dell'utilizzo da parte degli amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di una incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità del Gruppo di continuare ad operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio, ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono

basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che il Gruppo cessi di operare come un'entità in funzionamento;

- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio consolidato nel suo complesso, inclusa l'informativa, e se il bilancio consolidato rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione;
- abbiamo acquisito elementi probativi sufficienti e appropriati sulle informazioni finanziarie delle imprese o delle differenti attività economiche svolte all'interno del Gruppo per esprimere un giudizio sul bilancio consolidato. Siamo responsabili della direzione, della supervisione e dello svolgimento dell'incarico di revisione contabile del Gruppo. Siamo gli unici responsabili del giudizio di revisione sul bilancio consolidato.

Abbiamo comunicato ai responsabili delle attività di governance, identificati ad un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

#### **RELAZIONE SU ALTRE DISPOSIZIONI DI LEGGE E REGOLAMENTARI**

##### **Giudizio ai sensi dell'art. 14, comma 2, lettera e), del D.Lgs. 39/10**

Gli amministratori della Assiteca S.p.A. sono responsabili per la predisposizione della relazione sulla gestione del Gruppo Assiteca al 30 giugno 2020, incluse la sua coerenza con il relativo bilancio consolidato e la sua conformità alle norme di legge.

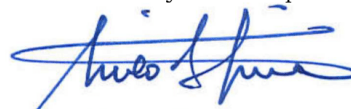
Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 720B al fine di esprimere un giudizio sulla coerenza della relazione sulla gestione con il bilancio consolidato del Gruppo Assiteca al 30 giugno 2020 e sulla conformità della stessa alle norme di legge, nonché di rilasciare una dichiarazione su eventuali errori significativi.

A nostro giudizio, la relazione sulla gestione è coerente con il bilancio consolidato del Gruppo Assiteca al 30 giugno 2020 ed è redatta in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'art. 14, co. 2, lettera e), del D.Lgs. 39/10, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

Milano, 12 ottobre 2020

Baker Tilly Revisa S.p.A.



Nicola Fiore  
Socio Amministratore



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