



Annual Report 2016

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



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Corporate Information

Openjobmetis S.p.A.

Employment Agency

Aut. Prot. N.1111-SG dated
26/11/2004

Registered Office

Via G. Fara 35 – 20124 Milan

Headquarters and Offices

Via Marsala 40/C Centro Direzionale Le Torri, 21013 Gallarate (VA)

Legal Information

Approved and subscribed share capital: EUR 13.712.000

Registered in the Milan Register of Companies under tax code 13343690155

Website

www.openjobmetis.it

Professional.
Personal.



LETTER TO THE SHAREHOLDERS

Dear Shareholders,

The year ended 31 December 2016 was our first 12-month period as a company listed on the STAR segment of the Italian Stock Exchange.

The results achieved in the course of the year are the result of the approach taken by the Company and the choices that have guided our efforts in recent years.

These results are even more notable when one considers the macroeconomic scenario in which the Company operates. Indeed, Italy's GDP growth in 2016 was lower than expected. The financial markets have also experienced major fluctuations throughout the year, due mainly to the Italian banking sector crisis. This volatility was further accentuated by the constitutional referendum put forward by the Government.

In 2016, against this background, the Openjobmetis Group succeeded in achieving significant revenue growth, reaching EUR 461 million compared to EUR 433 million in 2015 (+6.5%), while EBITDA reached EUR 17 million. Finally, net profit, equal to EUR 9.3 million, more than doubled compared with the previous year.

This growth was achieved as a result of progressively improving performances quarter on quarter in 2016. Indeed, the achievements of the last quarter, in particular, which saw revenue growth of 17% compared to the same period of the previous year, certainly bode well for the first quarter of 2017.

During the second half of 2016, our industry was without doubt further affected by the positive effects of the reforms put in place by the Jobs Act, which was further amended in 2016 through corrective measures and amendments to the implementing decrees already approved by the government during 2015.

Openjobmetis has established itself as one of the most experienced and reliable employment agencies on the Italian market, and aims meet to the increasingly high standards of service required by its customers. In addition, in the course of 2016 the Company further expanded its specialised service offering with the opening of new businesses. Investment in training courses also increased during the year, in order to provide customers with increasingly better prepared professionals.

During February, the procedure to allocate bonus shares on the shares offered to employees during the IPO was concluded, with more than 90% benefiting from this transaction, with respect to subscriptions during the global offering. This is a clear indication of the level of loyalty and motivation of our Company's employees.

These results have been achieved thanks to the commitment of all of us who, year after year, with passion and dedication, put our all into tackling an increasingly competitive market environment.

Finally, I would like to thank the investors and shareholders who continue to put their faith in Openjobmetis, believing in the long-term growth project that we have all committed to pursuing with the aim of creating value for all stakeholders.

(signed on the original)

The Chairman

CORPORATE BOARDS

The Board of Directors will remain in office until the Shareholders' Meeting called to approve the financial statements as at 31 December 2017.

Board of Directors¹

Chairman	Marco Vittorelli
Vice Chairman	Stefano Ghetti
Managing Director	Rosario Rasizza
Directors	Biagio La Porta
	Mario Artali ²
	Alberica Brivio Sforza ²
	Valentina Franceschini
	Paolo Gambarini
	Alberto Picciau ²
	Alessandro Potestà
	Corrado Vittorelli

Board of Statutory Auditors¹

Chairman	Roberto Tribuno
Standing Auditors	Francesco Di Carlo
	Elena Marzi
Alternate Auditors	Marzia Erika Ferrara
	Stefania Bettoni

¹ In office until the Shareholders' Meeting called to approve the financial statements as at 31/12/2017

² Independent Director

Independent Auditors³

KPMG S.p.A.

Manager in charge of financial reporting

Alessandro Esposti

Committees

Control and Risks Committee

Mario Artali (Chairman)²

Alberto Picciau²

Corrado Vittorelli

Appointments and Remuneration Committee

Mario Artali (Chairman)²

Stefano Ghetti

Alberica Brivio Sforza²

Related Parties Committee

Mario Artali (Chairman)²

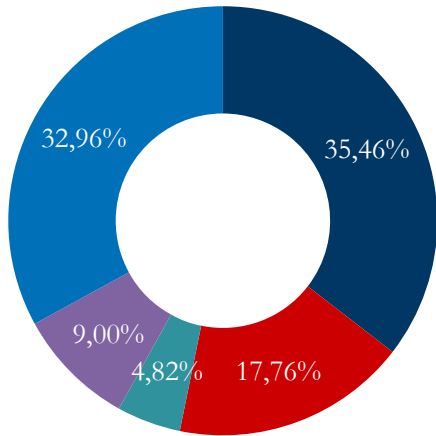
Alberica Brivio Sforza²

Alberto Picciau²

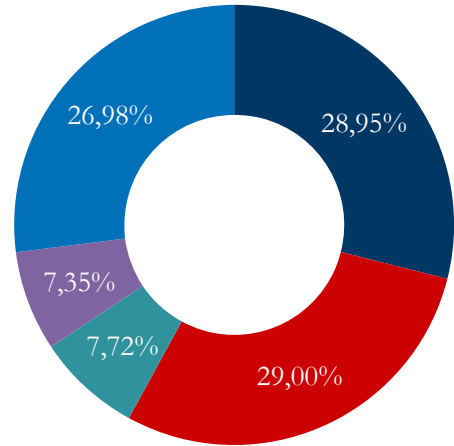
³ In office until 31/12/2023

STRUCTURE OF THE GROUP⁴

Percentage of Share Capital



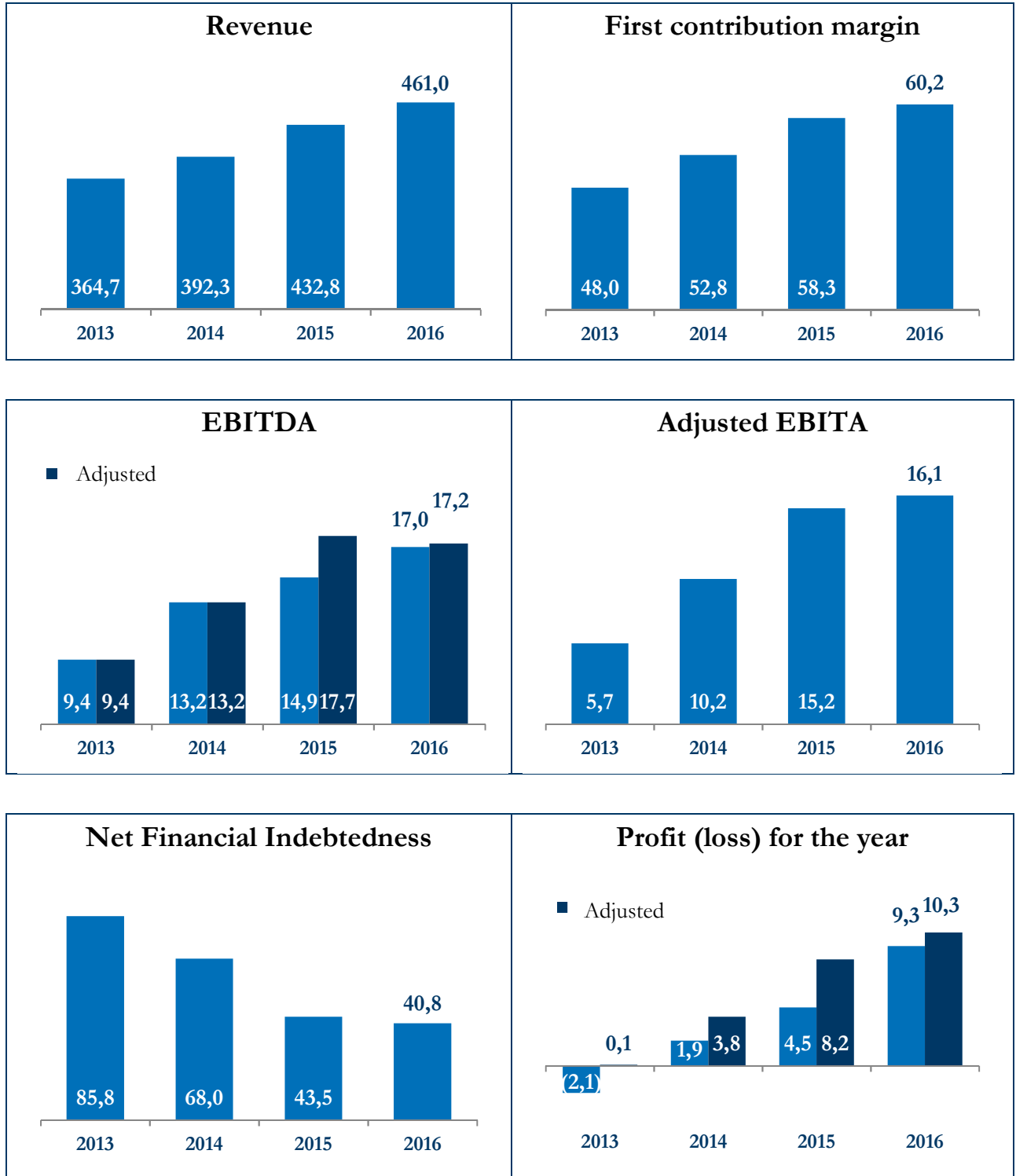
Percentage of Voting Rights



⁴ Structure of the share capital and voting rights at 16 March 2017

REPORT ON OPERATIONS

Highlights (in millions of EUR)



Trends in key income, financial and operating indicators

Income statement indicators	2016		2015		2014		2013		Δ 16 vs. 15	
	EUR	%	EUR	%	EUR	%	EUR	%	EUR	%
First contribution margin (millions/margin) ⁽¹⁾	60.2	13.1%	58.3	13.5%	52.8	13.5%	48.0	13.2%	2.0	3.4%
EBITDA (millions/margin) ⁽²⁾	17.0	3.7%	14.9	3.4%	13.2	3.4%	9.4	2.6%	2.1	13.7%
Adjusted EBITDA (millions/margin) ⁽³⁾	17.2	3.7%	17.7	4.1%	13.2	3.4%	9.4	2.6%	(0.5)	(2.6%)
EBITA (millions/margin) ⁽⁴⁾	15.9	3.4%	11.0	2.6%	8.8	2.2%	3.8	1.0%	4.8	43.6%
Adjusted EBITA (millions/margin) ⁽⁵⁾	16.1	3.5%	15.2	3.5%	10.2	2.6%	5.7	1.6%	0.9	5.7%
Profit (loss) for the year (millions/margin)	9.3	2.0%	4.5	1.0%	1.9	0.5%	(2.1)	(0.6%)	4.8	105.8%
Adjusted profit (loss) for the year (millions/margin) ⁽⁶⁾	10.3	2.2%	8.2	1.9%	3.8	1.0%	0.1	0.0%	2.1	25.4%

Other indicators	2016	2015	2014	2013	Δ 16 vs. 15	
					Value	%
Net financial indebtedness (EUR million) ⁽⁷⁾	40.8	43.5	68.0	85.8	(2.8)	(6.4%)
Net financial indebtedness/EBITDA	2.4	2.9	5.1	9.2	(0.5)	(17.7%)
Number of shares (thousand)	13,712	13,712	10,637	10,637	0	0.0%
Earnings (loss) per share (EUR)	0.7	0.3	0.2	(0.2)	0.3	105.8%
Adjusted earnings (loss) per share (EUR)	0.8	0.6	0.4	0.0	0.2	25.4%
ROE - Net profit (loss)/average equity (%)	13.0	8.2	4.5	(5.0)	4.8	58.5%
Average no. of days to collect trade receivables (days) ⁽⁸⁾	81.0	71	77	95	10	14.1%

(1) The first contribution margin is calculated as the difference between Revenue and Personnel expense for contract workers.

(2) EBITDA is calculated as Profit (loss) for the year before income taxes, net financial expense, amortisation/depreciation, provisions and impairment losses.

(3) Adjusted EBITDA is calculated as EBITDA before non-recurring income (charges) (as defined in the following pages of this report).

(4) EBITA is calculated as Profit (loss) for the year before income taxes, net financial expense and amortisation of customer relations included in the value of Intangible assets and goodwill.

(5) Adjusted EBITA is calculated as EBITA before non-recurring income (charges) (as defined in the following pages of this report).

(6) Adjusted Profit (loss) for the year is calculated as Profit (loss) for the year before non-recurring income (charges) (as defined in the following pages of this report).

(7) Net financial indebtedness shows the company's financial exposure to lenders and is the difference between financial assets and the sum of current and non-current financial liabilities (see the section on "Operating performance and results of the Group" for its detail).

(8) Average number of days to collect trade receivables: $\text{trade receivables/revenue from sales} * 360$.

The above indicators are not identified as accounting measures under IFRS, therefore the quantitative determination thereof may not be unique. The determination criteria applied by the Group may not be consistent with those adopted by other groups, and therefore the balances obtained by the Group may not be comparable with those determined by the latter.

General economic scenario⁵

Real economy and financial market trends

In the first quarter of 2016, economic activity in Italy increased compared to the last months of the previous year, mainly encouraged by household spending, and to a lesser extent by investments. In Q1 2016, Italian GDP, up for the fifth consecutive quarter, recorded cyclical growth (compared to the previous quarter) of 0.4% and trend growth (compared to Q1 2015) of 1%.

In the first quarter of 2016, in contrast to the good signals coming from the real economy, there was turbulence in the financial markets, occurring at the beginning of the year (in January and in the first ten days of February), relating in particular to fears about the profitability and quality of banks' assets. The drop in bank shares (the European banking industry saw an average reduction of over 25%) even put pressure on general indices, which lost more than 15% on average in the Eurozone.

On 23 June 2016, the British people were called to vote in the Referendum for the British exit (so-called 'Brexit') from the European Union; the people voted mainly in favour of the exit from the EU. This result has increased the volatility of international markets and has increased the risks on global growth prospects. With respect to other countries in the Eurozone, Italy has fewer trade links and financial arrangements with the British economy. As a result, any future impact on the economy, caused by the outcome of the Brexit referendum, should be relatively contained. The Brexit outcome has resulted in greater turbulence and increased volatility on the main European stock markets (including the Italian stock market). This impact has further hindered bank shares (in Q2 the Italian bank shares index lost approximately 31%).

After five periods of growth, in the second quarter of 2016 Italian GDP remained unchanged compared to the previous quarter; the fall in investments and the decrease in household consumption both contributed to this slowdown. In contrast to the lack of cyclical growth in Italian GDP, trend growth increased by 0.8% compared with the same period of 2015.

In the third quarter of 2016, Italian GDP rose by 0.3% compared with the previous quarter. Trend growth remained stable at 1%. Growth was driven by domestic demand and investment, which have begun to increase again. At the same time, the financial markets have seen a return of

⁵ Sources: ISTAT and Bank of Italy

the tensions experienced in the wake of Brexit. The main indices of the European stock exchanges recovered by approximately 6% (Italian index 1%) during the third quarter. However, there are still concerns in the markets about the profitability of the European and Italian banking sector.

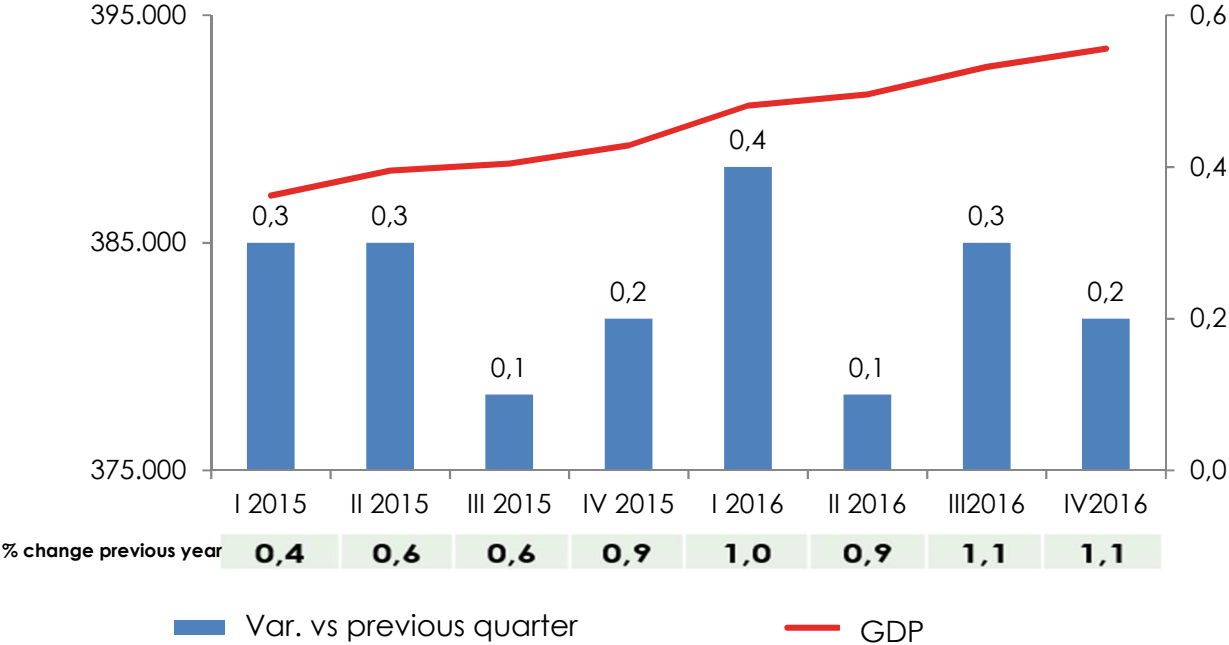


Table 1: Italian GDP trend by quarter: 2016 vs. 2015

In the last quarter, the general index of the Italian Stock Exchange rose by more than the average of the main European lists, approaching +20% in the first half of January 2017. On 4 December 2016, the Italian people were called to vote on the referendum question regarding overcoming equal bicameralism and reducing the number of Members of Parliament. With attendance of around 65%, the people of Italy voted ‘no’. Prior to the referendum, the volatility of share prices reached a peak due to the uncertainty, which was subsequently dissipated.

A provisional estimate of GDP (the only one available at the date on which this document was written), shows cyclical growth of 0.2% in the fourth quarter of 2016. In terms of trends, growth of 1.1% can be seen. The industry and services sectors drove growth in Q4.

In 2016, GDP (adjusted for calendar effects) increased by 1.0% compared to the previous year.

Openjobmetis S.p.A. and the labour market

Performance of the labour market

The first quarter of 2016 saw an increase in the number of employees compared to the previous quarter (+0.3%), while the unemployment rate remained stable at 11.6% due to the increase in labour market participation.

This employment dynamic reflects the effect of the relief from social security contributions provided for by the 2015 Stability Law (full exemption from payment of social security contributions by employers up to the limit of EUR 8,060 per year for 36 months, for employees under open-ended contracts between 01/01/15 and 31/12/15). The increase in permanent recruits, mainly towards the end of 2015, has had a direct impact on the contract work sector. Indeed, during the first months of 2016 companies reduced their demand for contract workers, finding themselves faced with having to employ the surplus resources employed previously in order to qualify for the relief described above.

Employment growth continued in the second quarter of 2016, finishing +0.5% compared with the previous quarter. The downward adjustment of the social security contribution relief provided for by the 2016 Jobs Act, has favoured temporary employment, up by 3.2% compared to the first quarter of 2016. In the face of sustained employment growth, the unemployment rate fell by just 10 bps. There has subsequently been an increase in labour market participation, mainly due to the improvement of employment prospects. Indeed, the number of people discouraged from entering the world of work has decreased considerably.

The number of employees stabilised in the third quarter of 2016, remaining unchanged compared with the previous period. The same dynamic has seen the unemployment rate remain unchanged at 11.6%. At the time of drafting this document, the provisional data for the last quarter of 2016 indicate a resumption of growth in employment, which could be driven by companies choosing to increase permanent recruits, before the final removal, starting from January 2017, of the exemption from social security contributions provided for by the Jobs Act, albeit reduced compared to the previous year. Based on these preliminary data, the unemployment rate would be up slightly compared to the previous quarter, reaching 11.9%.

Against this backdrop, Openjobmetis S.p.A. is one of the leading operators in the Italian contract work market, out of approximately 100 agencies authorised by the Ministry. Openjobmetis S.p.A. also offers personnel recruitment and selection services, as well as outplacement and training

services, through a network of 120 branches as at 31 December 2016, spread throughout the entire country, enabling it to serve customers located in all regions of Italy.

Breakdown by region shows a significant presence of agencies in the northern regions, as a result of a higher level of industrialisation. Several major international companies operate in Italy, including Adecco, Randstad and Manpower. It should be noted that in 2016 Randstad acquired the Italian company Obiettivo Lavoro. This allowed the Dutch company to increase its market position in Italy, positioning itself immediately below Adecco, the current market leader. Among the main Italian operators worthy of mention are GI Group - the Italian multinational that operates in over 40 countries in Europe, America, Asia and Africa - and Umana, a general employment agency founded in 1997.

Of the approximately 100 contract work agencies operating in Italy at the end of 2016, more than 50 agencies had an annual turnover of less than EUR 50 million in 2016. The sector is highly fragmented and, given the structure of the significant office costs that agencies face, we believe that concentration processes will very likely occur in the coming years.

In December 2016, the rate of penetration of contract work in the labour market stood at 1.77%⁶, compared to 1.56%⁶ in January of the same year, showing a marked growth.

Future growth in the Italian contract work market will be driven primarily by:

- i) expectations of economic and employment recovery in Italy: the contract work market has been characterised historically by a high correlation with the macroeconomic performance of the respective country; as such, growth expectations for Italy's Gross Domestic Product ("GDP") over the next three years should support significant growth in contract work;
- ii) Italy's recent regulatory innovations, which should allow the Italian contract work market to bridge the gap compared to the other major European markets in terms of incidence of contract work compared to total employment;
- iii) the change in attitude already underway in Italy, both in terms of culture and socio-demographics, towards contract work: the growing perception by users of the benefits of contract work, along with increasing penetration of this solution among female, mature and skilled workers, should further support the future growth of this sector.

Despite the increased flexibility of permanent employment contracts, thanks to the introduction of the 'increasing law protections' employment contract (contratto "a tutele crescenti") provided

⁶ Source: Ebitemp

for by the Jobs Act and their temporarily lower cost (for new hires only, by applying the exemption from contribution payment, also provided for in 2016 to a lesser extent), the contract work market continues to record positive growth rates. In our view, contract work has gone beyond its function as a mere substitute for flexibility, and is now perceived by companies as a solution whose competitive advantage lies not so much in cost effectiveness, but rather in the operational, organisational and industrial advantages offered to users. The more competitive employment agencies are able to identify, select and supply appropriate workers in a very short time, allowing companies to manage production peaks and temporary staffing needs. These profiles are sometimes also the most suitable for subsequent permanent recruitment. This occurs in the case of situations for which other forms of employment are not a viable solution, as they generally involve longer and more challenging organisational and administrative procedures and their operating and employment termination costs, whether direct (costs of dismissal and related legal action, conciliation, etc.) or indirect (e.g., corporate climate, confrontation with the unions, prohibition to hire new employees, etc.), may be higher than the cost of contract work.

In addition to performing the activities they are authorised to carry out (supply of contract work, intermediation, recruitment and selection, professional outplacement support, depending on the specific authorisation), employment agencies may also request and obtain regional accreditation for labour services. Through these accreditations, the regions recognise a public or private operator's ability to provide labour services within reference regional domains, also through the use of public resources. Accredited entities are enrolled in the relevant regional list and can provide the services established by the Region, by actively participating in the network of services for the labour market with particular reference to services that act as links between supply and demand. The regional network of services for the labour market is therefore composed of public employment services and private operators or other public players, with the aim of improving the functioning of the labour market, providing workers seeking jobs and employers with a set of qualified operators, and optimising the public and private resources available in the region. Accredited entities may also implement labour policy measures for the labour market integration or re-integration of unemployed workers and/or particular categories of workers, as set out in the regional plan. The involvement of the accredited entities occurs through contractual relationships with the public player (the service client) or other economic incentive tools for the implementation of public policies.

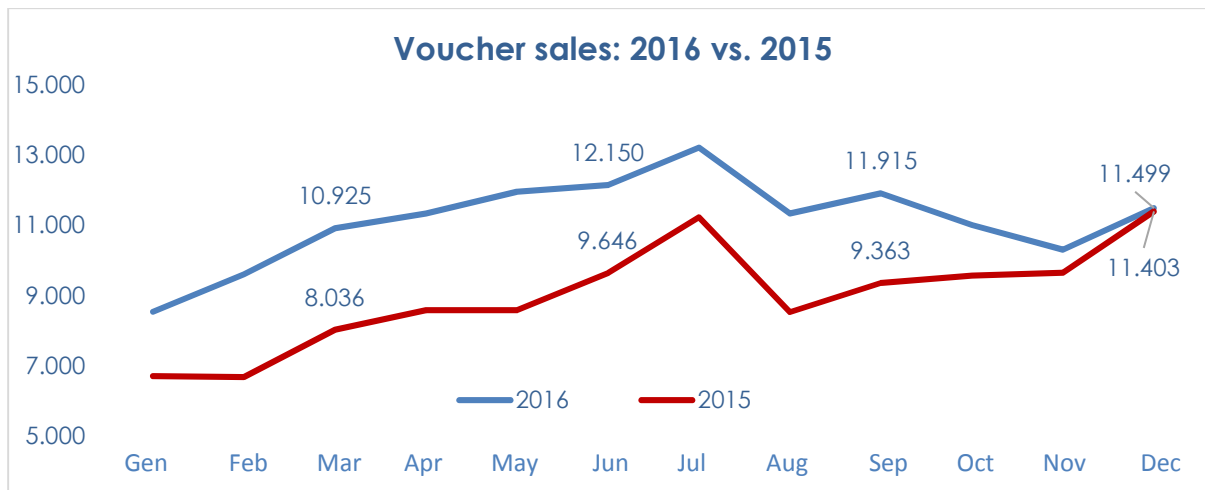
It should also be pointed out that Openjobmetis S.p.A. places particular emphasis on training its own contract work resources, providing 4 types of training: basic, professional, on-the-job and

training for open-ended contract employees. During financial year 2016, the Company organised 1,430 training courses for a total of 8,554 participants.

Vouchers (*'Buoni Lavoro'*)

Vouchers are a (prepaid) payment method supplied by the INPS (Italian Social Security Institution), by which the employer can pay for the provision of work services. The nominal value of said instrument is EUR 10 and the net value EUR 7.5 (corresponding to the minimum remuneration for an hour of work). The nominal value includes 13% for the social security contribution, 7% for INAIL (Italian National Institute for Insurance against Accidents at Work) and a 5% service fee, paid to the INPS.

The instrument was designed to be used as a payment instrument for ancillary work (work that does not relate to typical employment or self-employment contracts). In 2012, the Monti government liberalised the use of the vouchers for all sectors, for purely occasional working activities only (with a maximum limit of EUR 5,000 per worker and a maximum of 2,000 received by a single contractor). The following year, the Letta government went on to erase the requirement that the service supplied be of an occasional nature, thereby fully liberalising vouchers. In 2015, the Jobs Act introduced 3 changes: an extension of the maximum limit to EUR 7,000 per worker (the maximum limit of 2,000 to be received by a single contractor remains in place), the prohibition of use in procurement, and lastly, with entry into force from October 2016, in order to avoid certain abuses, the introduction of the requirement for prior notification to the INPS, by the employer, of the details of the worker and the service required. This legislation, which aimed to prevent work vouchers from being used fictitiously multiple times, has in fact reduced their attractiveness. This is demonstrated by sales in 2016, which, having increased steadily for the first part of the year, began to drop in September before reaching the levels of the previous year in December, as can be seen in the graph below.



Graph 1: Voucher sales 2016 vs. 2015, figures in thousands

ANPAL

ANPAL is the new National Agency for Active Labour Market Policies. It was established by Legislative Decree No. 150 of 14 September 2015, enforcing the so-called Jobs Act (Law No. 138 of 10 December 2014), which lists its functions in article 9.

ANPAL's main objective is to coordinate labour policies for people in search of employment and to manage the outplacement of unemployed people receiving NASpI (new employment social insurance benefit), DIS-COLL for continued collaboration and project workers or ASDI (unemployment benefit), through the provision of tools and methodologies that support public and private operators in the labour market. The Agency is a legal personality under public law and is subject to the supervision of the Minister of Labour and Social Policy.

One of ANPAL's first initiatives is to trial the new outplacement allowance (*"assegno di ricollocazione"*) for unemployed people receiving NASpI whose unemployment has exceeded four months. The sum granted, which is graded depending on the person's employability profile, can be used at employment centres or at agencies accredited to perform functions and tasks in the field of active labour policies, such as Employment Agencies.

The outplacement allowance is a tool to help unemployed people increase their chances of relocating within the world of work. It includes an amount to be used by operators in the labour market to provide job search support and assistance services. The amount (from EUR 250 to EUR 5,000, depending on the resource's employability profile and contract type) is granted to the entity that provides the relocation assistance service if the person receiving the allowance finds work.

Operating performance and results of the Group

Analysis of the operating performance of the Openjobmetis S.p.A. Group for the year 2016

Revenue from sales for 2016 came to EUR 461.0 million, compared to EUR 432.8 million in the previous year. The growth of 6.5% (EUR 28.2 million), compared to 2015, is mainly due to an increase in revenues relating to the core activity, i.e. “contract work” (+6.7% compared to 2015) and to “recruitment and selection” (+4.4% compared to 2015). Revenues in the last quarter of 2016 contributed significantly to the entire year’s growth, rising by 16.9% compared to the fourth quarter 2015, against a growth of 2.9% achieved in the first nine months of 2016 compared with the same period of 2015. It should also be noted that during of 2016, the Group recorded revenues from the active policies and the rewarding system (“premialetà”) recognised by Forma.temp in the amount of EUR 382 thousand. Operating result (or EBIT, earnings before interest and tax) increased from EUR 10.4 million in the previous year to EUR 15.5 million.

The Group’s consolidated financial figures for the years ended 31 December 2016, 2015, 2014 and 2013 are shown in the table below.

<i>(Amounts in thousands of EUR)</i>	Financial statements for the year ended 31 December						2016/2015 Change	
	2016	% of Revenue	2015	% of Revenue	2014	2013	value	%
Revenue	460,952	100.0%	432,763	100.0%	392,310	364,729	28,189	6.5%
Costs of contract work	(400,724)	(86.9%)	(374,503)	(86.5%)	(339,486)	(316,717)	(26,221)	7.0%
First contribution margin	60,228	13.1%	58,260	13.5%	52,824	48,012	1,968	3.4%
Other income	11,957	2.6%	10,514	2.4%	9,119	8,973	1,443	13.7%
Personnel expenses	(28,012)	(6.1%)	(27,705)*	(6.4%)	(25,805)	(24,809)	(307)	1.1%
Cost of raw materials and consumables	(233)	(0.1%)	(229)	(0.1%)	(186)	(181)	(4)	2.0%
Costs for services	(26,164)*	(5.7%)	(25,386)*	(5.9%)	(22,134)	(21,917)	(778)	3.1%
Other operating expenses	(803)	(0.2%)	(532)	(0.1%)	(579)	(710)	(271)	51.0%
EBITDA	16,973	3.7%	14,922	3.4%	13,239	9,368	2,051	13.7%
Provisions and impairment losses	(469)	(0.1%)	(3,197)*	(0.7%)	(3,739)	(4,856)	2,728	(85.3%)
Amortisation/depreciation	(638)	(0.1%)	(677)	(0.2%)	(678)	(663)	39	(5.8%)
EBITA	15,866	3.4%	11,048	2.6%	8,822	3,849	4,818	43.6%
Amortisation of intangible assets	(408)*	(0.1%)	(606)*	(0.1%)	(1,212)	(1,212)	198	(32.7%)
EBIT	15,458	3.4%	10,442	2.4%	7,610	2,637	5,016	48.0%

<i>(Amounts in thousands of EUR)</i>	Financial statements for the year ended 31 December						2016/2015 Change	
	2016	% of Revenue	2015	% of Revenue	2014	2013	value	%
Financial income	157	0.0%	110	0.0%	112	146	47	42.7%
Financial expense	(1,606)	(0.3%)	(3,330)*	(0.8%)	(3,745)	(4,239)	1,724	(51.8%)
Profit (loss) before taxes	14,009	3.0%	7,222	1.7%	3,977	(1,456)	6,787	94.0%
Income taxes	(4,748)*	(1.0%)	(2,721)	(0.6%)	(2,038)	(660)	(2,027)	74.5%
Profit (loss) for the year	9,261	2.0%	4,501	1.0%	1,939	(2,115)	4,760	105.8%

*including non-recurring costs - for further details please refer to the table below

The table below shows details of non-recurring costs and their impact on the income statement in 2015 and 2016, respectively:

	Brief description	2015		2016	
		Amount in thousands of EUR	% weight on income statement item	Amount in thousands of EUR	% weight on income statement item
Personnel expense	Non-recurring costs related to the portion of variable compensation to key management personnel	570	2.1%	-	-
Costs for services	<p>2015: Portion recognised in the Income statement of costs related to the process of listing on the online stock exchange (MTA) (EUR 1,570 thousand) and to due diligence and legal services for the negotiation of the new senior loan subscribed and disbursed in June 2015 (EUR 654 thousand)</p> <p>2016: Costs related to due diligence activities</p>	2,224	8.8%	237	0.9%
Provisions and impairment losses	Impairment carried out because of the progressive deterioration of significant exposure to a single customer currently under receivership	1,390	43.5%	-	-
Financial expense	Expenses arising from recognition in the income statement of the residual value at amortised cost as a result of early settlement of the medium-long term loan subscribed in 2012	520	15.6%	-	-
Total		4,704	-	237	-
Amortisation/depreciation	Amortisation of customer relations included in the value of intangible assets and goodwill	606	47.2%	408	39.0%
Total non-recurring costs		5,310	-	645	-
Tax effect		(1,593)	-	(203)	-

	Brief description	2015		2016	
		Amount in thousands of EUR	% weight on income statement item	Amount in thousands of EUR	% weight on income statement item
Income taxes	Provision for risks relating to fiscal disputes	-	-	600	12.6%
Total impact on the income statement		3,717	-	1,042	-

Revenue from sales and services

The overall increase in revenue in 2016 compared to 2015 amounts to EUR 28,189 thousand (+6.5%), mostly in connection with an increase in the volume of activities in terms of contract worker hours sold to customers, and an increase in revenue from recruitment and selection, as mentioned above.

Costs of agency labour services

Personnel expense relating to contract workers shows an increase of EUR 26,221 thousand, from EUR 374,503 thousand in 2015 to EUR 400,724 thousand in 2016, with an incidence on revenue up slightly at 86.9%.

The change was due to an increase in revenue from the temporary employment agency business as a result of an increase in business volume in terms of contract worker hours sold to customers.

First contribution margin

In 2016, the Group's first contribution margin amounted to EUR 60,228 thousand, up by EUR 1,968 thousand from 2015, compared with an increase in business volume in terms of contract worker hours sold to customers. The incidence on revenue is down slightly compared to 2015, at 13.1%. This is mainly due to two reasons:

1. The increase in permanent recruits by other employment agencies in 2015, in order to qualify for the tax relief provided by the Jobs Act, has lowered the cost of contracted resources. Maintaining the market share of Openjobmetis has subsequently put certain pressure on the margin.

2. The decrease in the active policies and rewards (“premieria”) recognised by Forma.temp in the course of 2016 (EUR 382 thousand compared to EUR 1,142 thousand in the previous year). These additional services have a direct impact on the first contribution margin.

Other income

‘Other income’ for 2016 amounted to EUR 11,957 thousand, a EUR 1,443 thousand increase compared to 2015.

The item mainly includes grants from Forma.Temp (EUR 10,085 thousand for 2016, against EUR 8,783 thousand in 2015) for costs incurred by the Group to deliver training courses for contract workers through qualified trainers, and other sundry income (EUR 1,872 thousand, against EUR 1,731 thousand in 2015).

These grants are issued by Forma.Temp on the basis of the specific cost reports of equal amounts - recorded for the organising and carrying out of training activities - performed for each individual initiative.

Personnel expense

The average number of employees in 2016 was 577, compared to 568 in 2015, and includes staff employed at the headquarters and at the Group’s subsidiaries (140 employees in 2016 for the Group) and at the branch offices located throughout the country (437 in 2016 for the Group).

Personnel expense grew slightly by EUR 307 thousand, from EUR 27,705 thousand in 2015 to EUR 28,012 thousand in 2016. This change is mainly attributable to the increase in the average number of employees in 2016 compared to the previous year, largely due to the opening of new branches, also taking into account the fact that the 2015 figures included non-recurring costs of EUR 570 thousand, for variable remuneration to key management personnel.

Despite the slight increase in the absolute value for employees costs, the incidence on revenue decreased from 6.4% in 2015 to 6.1% in 2016; this reduction confirms the presence of economies of scale in the Company’s business model.

Costs for services

For 2016, the item 'Costs for services' reached EUR 26,164 thousand, a EUR 778 thousand increase (+3.1%) compared to 2015.

Net of the value of the grants received from Forma.Temp for the organisation of training courses for contract workers, costs for services amounted to EUR 16,079 thousand in 2016, compared to EUR 16,603 thousand in 2015. The 2015 figure comprises non-recurring costs in the amount of EUR 2,224 thousand, related to the process of quoting and negotiating the new senior loan, subscribed and issued in June 2015.

The incidence of costs for the organisation of courses for temporary workers, carried out in order to develop skills and professionalism in order to best meet the needs of clients in 2016, appears substantially unchanged with respect to financial year 2015. The Group receives grants from Forma.Temp to fully cover the costs incurred for training, following accurate and timely reporting of said costs.

In 2016, Openjobmetis was confirmed as the main sponsor of Pallacanestro Varese, a professional basketball club that plays at national level in the first division of the Italian basketball league.

EBITDA, EBITA and the respective adjusted values

In 2016, EBITDA amounted to EUR 16,973 thousand, a +13.7% increase from EUR 14,922 thousand in 2015, while in 2016, adjusted EBITDA⁷ stood at EUR 17,210 thousand, down slightly compared to the previous year. Adjusted EBITA⁸ for 2016 was EUR 16,103 thousand, +5.7% compared to EUR 15,232 thousand in 2015. The increases are mainly the result of the lower provisions and write-downs performed in 2016 (EUR 469 thousand compared to EUR 3,197 thousand in 2015).

Amortisation/depreciation

Amortisation/depreciation was EUR 1,046 thousand in 2016, down by EUR 237 thousand with respect to 2015, mainly due to a decrease in amortisation of intangible assets in the amount of EUR 198 thousand. The portion of amortisation of customer relations capitalised among

⁷ Calculated as EBITDA before non-recurring income (charges)

⁸ Calculated as EBITA before non-recurring income (charges)

intangible assets and goodwill, included in the amortisation of intangible assets, amounted to EUR 408 thousand in 2016 (EUR 606 thousand in 2015).

Provisions and impairment losses

Total impairment losses in 2016, equal to EUR 469 thousand, show a decrease of EUR 2,728 thousand compared to 2015. This decrease is primarily due to lower impairments losses on trade receivables in relation to specific actions for the reduction of overdue amounts, in particular the strict selection of customers based on timeliness of payments and the presence in 2015 of impairment losses recognised because of the progressive deterioration of a significant exposure to a single customer, as indicated in the table of non-recurring costs.

EBIT

As a result of the above, the Group's operating profit (loss) for 2016 was EUR 15,458 thousand, up by EUR 5,016 thousand compared to 2015.

Financial income and financial expense

The item "Net financial income and expense" shows a negative balance of EUR 1,449 thousand in 2016, an improvement of EUR 1,771 thousand compared to 2015. The improvement is mainly attributable to the decrease in the item "Interest expense on loans" as a result of a reduction in average indebtedness in the course of 2016 compared to 2015, in addition to the decrease in the item "Interest expense on current accounts" as a result of lower current average bank loans and borrowings in relation to the uses made during the period and considering that the 2015 figure includes financial expenses in the amount of EUR 520 thousand in relation to the recognition in the income statement of the residual value related to the amortised cost as a result of the early settlement of the medium to long-term loan subscribed in 2012. The expected cash flows associated with hedging derivative financial instruments relate exclusively to interest rate swaps partially hedging the Senior Loan, and amount to EUR 51 thousand in 2016, compared to EUR 248 thousand in 2015.

Income taxes

In 2016, income taxes totalled EUR 4,748 thousand, a EUR 2,027 thousand increase compared 2015. The item includes current taxes in the amount of EUR 1,813 thousand, compared to EUR 3,489 thousand in the previous year, and total deferred taxes in the amount of EUR 2,335

thousand, compared with EUR (768) thousand in the previous year. In addition, the 2016 figure includes the provision of EUR 600 thousand for risks relating to tax disputes; for further details, please refer to point 29 of the Notes to the Separate and Consolidated Financial Statements.

Profit (loss) for the year

As a result of the above, the result for the year shows, in 2016, a profit of EUR 9,261 thousand, compared to a profit of EUR 4,501 thousand in the previous year.

Adjusted profit (loss) for the year

Adjusted profit (calculated as profit (loss) before non-recurring items - see the following table) in 2016 totalled EUR 10,303 thousand, compared to an adjusted profit of EUR 8,218 thousand in 2015 (+25.4%).

Adjusted Profit (in thousands of EUR)	2016	2015
Profit for the year	9,261	4,501
Personnel expense (portion linked to IPO result)	-	570
Costs for services (for 2015 portion related to the IPO and the medium term loan, for 2016 costs related to due diligence activities)	237	2,224
Impairment losses recognised on a single significant receivable.	-	1,390
Amortisation (client relations included in intangible assets and goodwill)	408	606
Financial expenses (repayment of the residual amortised cost of the previous medium-term loan)	-	520
Tax effect	(203)	(1,593)
Income taxes (provision for tax risk)	600	-
Adjusted profit for the year	10,303	8,218

Statement of financial position

The table below shows the Group's consolidated statement of financial position reclassified on financial bases as at 31 December 2016, 2015, 2014 and 2013.

<i>(Amounts in thousands of EUR)</i>	Financial statements as at 31 December						2016/2015 Change	
	2016	% on NIC* / Total sources	2015	% on NIC* / Total sources	2014	2013	Value	%
Intangible assets and goodwill	74,563	63.3%	74,661	67.2%	75,256	76,332	(98)	(0.1%)
Property, plant and equipment	2,096	1.8%	2,173	2.0%	2,084	2,280	(77)	(3.5%)
Other net non-current assets and liabilities	2,911	2.5%	5,264	4.7%	4,555	3,516	(2,353)	(44.7%)
Total non-current assets/liabilities	79,570	67.5%	82,098	73.9%	81,895	82,128	(2,528)	(3.1%)
Trade receivables	104,175	88.4%	85,359	76.8%	84,084	96,253	18,816	22.0%
Other receivables	6,061	5.1%	6,357	5.7%	4,220	5,240	(296)	(4.7%)
Current tax assets	336	0.3%	414	0.4%	-	84	(78)	(18.7%)
Trade payables	(8,224)	(7.0%)	(8,943)	(8.0%)	(6,003)	(5,779)	719	(8.0%)
Current employee benefits	(33,376)	(28.3%)	(27,459)	(24.7%)	(26,050)	(23,817)	(5,917)	21.5%
Other payables	(27,881)	(23.7%)	(23,372)	(21.0%)	(22,040)	(22,471)	(4,509)	19.3%
Current tax liabilities	(190)	(0.2%)	(834)	(0.8%)	(790)	(476)	644	(77.2%)
Provisions for current liabilities and charges	(2,644)	(2.2%)	(2,459)	(2.2%)	(2,339)	(2,541)	(185)	7.6%
Net working capital	38,257	32.5%	29,063	26.1%	31,082	46,493	9,194	31.6%
Total loans - net invested capital	117,827	100.0%	111,161	100.0%	112,977	128,621	6,666	6.0%
Equity	75,978	64.5%	66,506	59.8%	43,927	41,844	9,472	14.2%
Net Financial Indebtedness	40,771	34.6%	43,539	39.2%	67,976	85,814	(2,768)	(6.4%)
Employee benefits	1,078	0.9%	1,116	1.0%	1,074	963	(38)	(3.4%)
Total sources	117,827	100.0%	111,161	100.0%	112,977	128,621	6,666	6.0%

* Net Invested Capital

Intangible assets and goodwill

Intangible assets totalled EUR 74,563 thousand at 31 December 2016, down by EUR 98 thousand (0.1%) from 31 December 2015. They consist primarily of goodwill, customer relations and software.

Goodwill is attributable for EUR 45,962 thousand to acquisitions carried out before 2011 and the merger with WM S.r.l. carried out in 2007, for EUR 27,201 thousand to the acquisition and subsequent merger of Metis S.p.A. carried out in 2011, and for EUR 383 thousand to the acquisition of the subsidiary Corium S.r.l. carried out in 2013.

The value of Customer relations at 31 December 2016 are attributable to the value assigned to these relations in 2009 and 2010 as part of the acquisition of a business unit of the company J.O.B. S.p.A., and in 2011 following the acquisition of Metis S.p.A., net of the respective accumulated amortisation. The change recorded in 2016 with respect to 31 December 2015 is attributable to the increase in the historical cost of EUR 200 thousand following the purchase of the customer database of “Noi per Voi S.r.l.” and the depreciation charge of the year.

The item Software refers to the operational and management programs acquired from the Group. Specifically, Assets under development and payments on account at 31 December 2015 related to costs incurred for the development of software to support the operating processes and exchanges of information inherent to Agenzia per il Lavoro’s activities. The plan to develop the above mentioned software, which will be amortised from 2017, was completed in 2016 and the costs have consequently been reclassified to software.

Trade receivables

Trade receivables amount to EUR 104,175 thousand, compared to EUR 85,359 thousand as at 31 December 2015, and include trade receivables from related parties in the amount of EUR 1 thousand (EUR 1 thousand as at 31 December 2015). The item is recorded in the consolidated financial statements net of an allowance for impairment of EUR 4,072 thousand (EUR 9,614 thousand as at 31 December 2015). The decrease in the allowance is mainly due to the impairment loss on a receivable from a major customer, as a result of it being declared non-collectible. It should also be noted that no transfers of receivables without recourse had been carried out as at 31 December 2016, as at 31 December 2015.

The increase in trade receivables recorded at 31 December 2016 is attributable mainly to the higher level of turnover achieved in the last part of 2016. The average collection period (DSO -

Days Sales Outstanding) granted to customers appears to have increased compared to the previous year, from 71 days to 81 days, for the same reason. This increase, however, is mainly due to the acceleration of revenues in the final part of 2016. Indeed, by calculating the DSO only on the fourth quarter of 2016, i.e. receivables/quarterly revenues * 90 days, a DSO of 72 days is achieved, basically in line with 2015 (71 days).

There are no receivables with insurance coverage.

There are no credit risk profiles with related parties.

Other receivables

As at 31 December 2016, Other receivables totalled EUR 6,061 thousand, compared to EUR 6,357 thousand as at 31 December 2015; they primarily relate to a credit for VAT refund and an IRES credit for IRAP deduction for the years 2007-2011 for EUR 1,272 thousand (EUR 1,390 thousand as at 31 December 2015), receivables from the INPS (Italian Social Security Institution) for post-employment benefits for EUR 1,416 thousand (EUR 1,704 thousand as at 31 December 2015), other prepayments for EUR 564 thousand (EUR 528 thousand as at 31 December 2015), receivables from the tax authorities for disputes of EUR 1,328 thousand (EUR 788 thousand as at 31 December 2015), other disputed receivables for EUR 1,095 thousand relating to a receivable from a former director of Metis S.p.A. for unjustified expenses (unchanged from 31 December 2015), and receivables from Forma.Temp for EUR 308 thousand (EUR 826 thousand as at 31 December 2015).

The item Receivables from the INPS for post-employment benefits relates to the value of post-employment benefits of terminated contract workers, which is advanced by Openjobmetis S.p.A. to the worker and requested as a reimbursement from the INPS treasury, to which it had been previously paid.

The item Other prepayments mainly refers to costs advanced for sponsorships, bank fees and sundry rentals.

The item Receivables from tax authorities for disputes refers to the amounts paid following the assessment notices. For further information, please refer to point 29 of the Notes to the Separate and Consolidated Financial Statements.

Trade payables

At 31 December 2016, Trade payables totalled EUR 8,224 thousand, compared with EUR 8,943 thousand at 31 December 2015, EUR 49 thousand of which is to related parties (EUR 61 thousand at 31 December 2015). At the reporting date there were no concentrations of payables to a limited number of suppliers.

Payables to related parties at 31 December 2016 derive from the sponsorship contract with a sports company, as described in point 32 of the Notes to the Financial Statements.

Employee benefits

At 31 December 2016, payables for current employee benefits totalled EUR 33,376 thousand, compared to EUR 27,459 thousand at 31 December 2015, a EUR 5,917 thousand increase (+21.5%). The item mainly refers to payables for salaries and compensation to contract workers and company employees, in addition to the payables for post-employment benefits to contract workers. The increase recorded at 31 December 2016 compared to 31 December 2015 is attributable to the greater number of tasks for contract workers and to greater turnover in the last quarter of 2016 compared to 2015.

Given the nature of the business carried out by the Group and the average duration of employment contracts with contract workers, employee benefits represented by the post-employment benefits of contract workers are paid on average during the first months of the following year and were consequently regarded as current liabilities. Therefore, the liability was not discounted and corresponds to the obligation due to temporary workers at the end of the contract, without application of the projected unit credit method.

Other payables

At 31 December 2016, other payables totalled EUR 27,881 thousand, compared with EUR 23,372 thousand at 31 December 2015, a EUR 4,509 thousand increase (+19.3%). The item refers mainly to social security charges payable for EUR 16,686 thousand as at 31 December 2016 (EUR 13,863 thousand as at 31 December 2015), tax payables mainly related to withholdings on employees remuneration for EUR 10,562 thousand (EUR 9,213 thousand as at 31 December 2015), payables to Forma.Temp in the amount of EUR 537 thousand (EUR 185 thousand in 2015) and payables to other parties for salary/pension-backed loans, deferred

income, payables to local authorities for sundry taxes and ancillary rental payables for EUR 96 thousand (EUR 111 thousand as at 31 December 2015).

Equity

At 31 December 2016, equity amounted to EUR 75,978 thousand, compared to EUR 66,506 thousand at 31 December 2015.

The change in equity recorded between 31 December 2015 and 31 December 2016 is mainly attributable to the net profit for 2016.

Net Financial Indebtedness

Net financial indebtedness shows a negative balance of EUR 40,771 thousand as at 31 December 2016, against a negative balance of EUR 43,539 thousand as at 31 December 2015.

The Group's net financial indebtedness as at 31 December 2016, 2015, 2014 and 2013, calculated in accordance with the provisions in Recommendation ESMA/2013/319, is shown below.

	<i>(Amounts in thousands of EUR)</i>				Financial statements as at 31 December		Change 2016 vs. 2015	
	2016	2015	2014	2013	Value	%		
A Cash	22	24	23	23	(2)	(8.3%)		
B Other cash and cash equivalents	8,788	22,388	3,837	4,133	(13,600)	(60.7%)		
C Securities held for trading	-	-	-	-	-	-		
D Cash and cash equivalents (A+B+C)	8,810	22,412	3,860	4,156	(13,602)	(60.7%)		
E Current financial receivables	-	-	-	-	-	-		
F Current bank payables	(17,887)	(31,283)	(38,346)	(50,015)	13,396	(42.8%)		
G Current portion of non-current debt	(14,669)	(6,000)	(6,600)	(6,600)	(8,669)	144.5%		
H Other current financial payables	(62)	(258)	(566)	(846)	196	(76.0%)		
I Current financial indebtedness (F+G+H)	(32,618)	(37,541)	(45,512)	(57,461)	4,923	(13.1%)		
J Net current financial indebtedness (D+E+I)	(23,808)	(15,129)	(41,652)	(53,305)	(8,679)	57.4%		
K Non-current bank payables	(16,902)	(28,337)	(25,072)	(31,293)	11,435	(40.4%)		
L Bonds issued	-	-	(1,168)	(1,123)	-	-		
M Other non-current payables	(61)	(73)	(84)	(93)	12	(16.4%)		
N Non-current financial indebtedness (K+L+M)	(16,963)	(28,410)	(26,324)	(32,509)	11,447	(40.3%)		
O Net Financial Indebtedness (J+N)	(40,771)	(43,539)	(67,976)	(85,814)	2,768	(6.4%)		

Operating performance and results of the Parent Openjobmetis S.p.A.

Analysis of the operating performance of Openjobmetis S.p.A. for 2016

Revenue from sales for 2016 came to EUR 456.0 million, compared to EUR 428.5 million in the previous year. The growth of 6.4% (EUR 27.5 million) on 2015 is due to an increase in contract work volumes. Operating profit (or EBIT, earnings before interest and tax) went from EUR 7.9 million in the previous year to EUR 11.9 million in 2016, after amortisation/depreciation, provisions and impairment losses totalling EUR 1.5 million (2015: EUR 4.4 million).

The Parent's income statements for the years ended 31 December 2016 and 31 December 2015 are shown in the table below.

<i>(Amounts in thousands of EUR)</i>	Financial statements for the year ended 31 December				2016/2015 Change	
	2016	% of Revenue	2015	% of Revenue	value	%
Revenue	455,991	100.0%	428,491	100.0%	27,500	6.4%
Costs of contract work	(400,724)	(87.9%)	(374,503)	(87.4%)	(26,221)	7.0%
First contribution margin	55,267	12.1%	53,988	12.6%	1,279	2.4%
Other income	12,052	2.6%	10,540	2.5%	1,512	14.3%
Personnel expense	(25,910)	(5.7%)	(25,643)*	(6.0%)	(267)	1.0%
Cost of raw materials and consumables	(218)	(0.0%)	(221)	(0.1%)	3	(1.2%)
Costs for services	(27,093)*	(5.9%)	(25,852)*	(6.0%)	(1,241)	4.8%
Other operating expenses	(758)	(0.2%)	(515)	(0.1%)	(243)	47.2%
EBITDA	13,340	2.9%	12,297	2.9%	1,043	8.5%
Provisions and impairment losses	(459)	(0.1%)	(3,110)*	(0.7%)	2,651	(85.2%)
Amortisation/depreciation	(623)	(0.1%)	(491)	(0.1%)	(132)	26.9%
EBITA	12,258	2.7%	8,696	2.0%	3,562	41.0%
Amortisation of intangible assets	(408)*	(0.1%)	(778)*	(0.2%)	370	(47.6%)
EBIT	11,850	2.6%	7,918	1.8%	3,932	49.7%
Financial income	2,245	0.5%	1,693	0.4%	552	32.6%
Financial expense	(1,599)	(0.4%)	(3,321)*	(0.8%)	1,722	(51.9%)
Profit (loss) before taxes	12,496	2.7%	6,290	1.5%	6,206	98.7%
Income taxes	(3,582)*	(0.8%)	(1,887)	(0.4%)	(1,695)	89.8%

	<i>(Amounts in thousands of EUR)</i> Financial statements for the year ended 31 December				2016/2015 Change	
	2016	% of Revenue	2015	% of Revenue	value	%
Profit (loss) for the year	8,914	2.0%	4,403	1.0%	4,511	102.5%

*including non-recurring costs - for further details please refer to the table below

The table below shows details of non-recurring costs and their impact on the income statement in 2015 and 2016, respectively:

	Brief description	2015		2016	
		Amount in thousands of EUR	% weight on income statement item	Amount in thousands of EUR	% weight on income statement item
Personnel expense	Non-recurring costs related to the portion of variable compensation to key management personnel	570	2.1%	-	-
Costs for services	<p>2015: Portion recognised in the Income statement of costs related to the process of listing on the online stock exchange (MTA) (EUR 1,570 thousand) and to due diligence and legal services for the negotiation of the new senior loan subscribed and disbursed in June 2015 (EUR 654 thousand)</p> <p>2016: Costs related to due diligence activities</p>	2,224	8.8%	237	0.9%
Provisions and impairment losses	Impairment carried out because of the progressive deterioration of significant exposure to a single customer currently under receivership	1,390	43.5%	-	-
Financial expense	Expenses arising from recognition in the income statement of the residual value at amortised cost as a result of early settlement of the medium-long term loan subscribed in 2012	520	15.6%	-	-
Total		4,704	-	237	-
Amortisation/depreciation	Amortisation of customer relations included in the value of intangible assets and goodwill	606	47.2%	408	39.0%
Total non-recurring costs		5,310	-	645	-
Tax effect		(1,593)	-	(203)	-
Income taxes	Provision for risks risk	-	-	600	12.6%
Total impact on the income statement		3,717	-	1,042	-

Revenue from sales and services

The overall increase in revenue in 2016 as compared to 2015 amounts to EUR 27,500 thousand (+6.4%), mostly in connection with an increase in the volume of activities in terms of contract worker hours sold to customers.

Costs of agency labour services

Personnel expense relating to contract workers shows an increase of EUR 26,221 thousand, from EUR 374,503 thousand in 2015 to EUR 400,724 thousand in 2016, with an impact on revenue up slightly by 87.9%.

The change in these costs was due to an increase in revenue from the temporary employment agency business as a result of an increase in business volumes in terms of contract worker hours sold to customers.

First contribution margin

In 2016, the Parent's first contribution margin amounted to EUR 55,267 thousand, up by EUR 1,279 thousand from 2015, compared with an increase in business volume in terms of contract worker hours sold to customers. The incidence on revenue appears to be down slightly in 2016 compared to 2015, at 12.1%. The reasons for this change are the same as already noted for at the Group's first contribution margin.

Other income

'Other income' for 2016 amounted to EUR 12,052 thousand, a EUR 1,512 thousand increase compared to 2015.

The item mainly includes grants from Forma.Temp (EUR 10,085 thousand for 2016, against EUR 8,782 thousand in 2015) for costs incurred by the Group to deliver training courses for contract workers through qualified trainers, and other sundry income (EUR 1,967 thousand, against EUR 1,758 thousand in 2015).

These grants are issued by Forma.Temp on the basis of the specific cost reports of equal amounts - recorded for the organising and carrying out of training activities - performed for each individual initiative.

Personnel expense

Personnel expense grew by EUR 267 thousand, from EUR 25,643 thousand in 2015 to EUR 25,910 thousand in 2016.

This change is mainly attributable to the increase in the average number of employees in 2016 compared to the previous year, largely due to the opening of new branches, also taking into account the fact that the 2015 figures included non-recurring costs of EUR 570 thousand, for variable remuneration to key management personnel.

Despite the slight increase in the absolute value for personnel expenses, the impact on revenue decreased from 6.0% in 2015 to 5.7% in 2016; this reduction confirms the presence of economies of scale.

Costs for services

In 2016, the item 'Costs for services' reached EUR 27,093 thousand, a EUR 1,241 thousand increase (4.8%) compared to 2015.

Net of the value of the grants received from Forma.Temp for the organisation of training courses for contract workers, costs for services amounted to EUR 17,007 thousand in 2016, compared to EUR 17,069 thousand in 2015. The 2015 figure comprises non-recurring costs in the amount of EUR 2,224 thousand, related to the process of listing and negotiating the new senior loan, subscribed and issued in June 2015.

The impact of costs for the organisation of courses for temporary workers, carried out in order to develop skills and professionalism in order to best meet the needs of clients in 2016, remains substantially unchanged with respect to 2015. Openjobmetis S.p.A. receives grants from Forma.Temp to fully cover the costs incurred for training, following accurate and timely reporting of said costs.

Again in 2016, Openjobmetis was confirmed as the main sponsor of Pallacanestro Varese, a professional basketball club that plays at national level in the first division of the Italian basketball league.

EBITDA, EBITA and the respective adjusted values

In 2016, EBITDA amounted to EUR 13,340 thousand, a +8.5% increase from EUR 12,297 thousand in 2015, while in 2016, adjusted EBITDA⁹ stood at EUR 13,577 thousand (EUR 15,091 in 2015).

Adjusted EBITA¹⁰ in 2016 was EUR 12,495 thousand, compared to EUR 12,708 thousand in 2015.

Amortisation/depreciation

Amortisation/depreciation stood at EUR 1,031 thousand in 2016, down by EUR 238 thousand from 2015, mainly due to the decrease in the value of amortisation of intangible assets for EUR 370 thousand, since 31 December 2015 was the end of the amortisation period of about half customer relations, in terms of historical cost (values resulting from the acquisition of Intime and the merger with WM S.r.l. in 2007). The amortisation of the customer relations capitalised among intangible assets and goodwill, included in the amortisation value of intangible assets, amounted to EUR 408 thousand in 2016 (EUR 778 thousand in 2015).

Provisions and impairment losses

Total provisions and impairment losses at 31 December 2016, equal to EUR 459 thousand, shows a decrease of EUR 2,651 thousand compared to 31 December 2015. This decrease is primarily due to lower impairments losses on trade receivables in relation to specific actions for the reduction of overdue amounts, in particular the strict selection of customers based on timeliness of payments and the presence in 2015 of impairment losses recognised because of the progressive deterioration of a significant exposure to a single customer, as indicated in the table of non-recurring costs.

EBIT

As a result of the above, the operating profit (loss) of Openjobmetis S.p.A. for 2016 was EUR 11,850 thousand, up by EUR 3,932 thousand compared to 2015.

⁹ Calculated as EBITDA before non-recurring income (charges)

¹⁰ Calculated as EBITA before non-recurring income (charges)

Financial income and financial expense

The item “Net financial income and expense” shows a negative balance of EUR 646 thousand in 2016, an improvement of EUR 2,274 thousand compared to 2015. The improvement is mainly attributable to the decrease in the item “Interest expense on loans” as a result of a reduction in average medium/long-term indebtedness in the course of 2016 compared to 2015, in addition to the decrease in the item “Interest expense on current accounts, factoring and bonds” as a result of lower current average banks loans and borrowings in relation to the uses made during the year and considering that the 2015 figure includes financial expenses of EUR 520 thousand in relation to the recognition in the income statement of the residual value related to the amortised cost as a result of the early settlement of the medium to long-term loan subscribed in 2012.

The expected cash flows associated with hedging derivative financial instruments relate exclusively to interest rate swaps partially hedging the Senior Loan, and amount to EUR 51 thousand in 2016, compared to EUR 248 thousand in 2015.

Income taxes

In 2016, income taxes totalled EUR 3,582 thousand, a EUR 1,695 thousand increase compared 2015. The item includes current taxes in the amount of EUR 654 thousand, compared to EUR 2,664 thousand in the previous year, and total deferred taxes in the amount of EUR 2,328 thousand, compared with EUR (777) thousand in the previous year. In addition, the 2016 figure includes the provision of EUR 600 thousand for risks relating to tax disputes; for further details, please refer to point 29 of the Notes to the Separate and Consolidated Financial Statements.

Profit (loss) for the year

As a result of the above, the result for the year shows, in 2016, a profit of EUR 8,914 thousand, compared to a profit of EUR 4,403 thousand in the previous year.

Adjusted profit (loss) for the year

Adjusted profit (calculated as profit (loss) before non-recurring items - see the table below) in 2016 totalled EUR 9,956 thousand, compared to an adjusted profit of EUR 8,120 thousand in 2015.

Adjusted Profit <i>(in thousands of EUR)</i>	2016	2015
Profit for the year	8,914	4,403
Personnel expenses (portion linked to IPO result)	-	570
Costs for services (for 2015 portion related to the IPO and the medium-term loan, for 2016 costs related to due diligence activities)	237	2,224
Impairments losses recognised on a single significant receivable	-	1,390
Amortisation (client relations included in intangible assets and goodwill)	408	606
Financial expenses (repayment of the residual amortised cost of the previous medium-term loan)	-	520
Tax effect	(203)	(1,593)
Income taxes (provision for a tax risk)	600	-
Adjusted profit for the year	9,956	8,120

Statement of financial position

The table below shows the Parent's consolidated statement of financial position reclassified on a financial bases as at 31 December 2016 and 31 December 2015.

(Amounts in thousands of EUR)	Financial statements as at 31 December				2016/2015 Change	
	2016	% on NIC* / Total sources	2015	% on NIC* / Total sources	Value	%
Intangible assets and goodwill	72,753	62.4%	72,851	66.2%	(98)	(0.1%)
Property, plant and equipment	2,042	1.8%	2,130	1.9%	(88)	(4.1%)
Other net non-current assets and liabilities	4,404	3.8%	6,640	6.0%	(2,236)	(33.7%)
Total non-current assets/liabilities	79,199	68.0%	81,621	74.1%	(2,422)	(3.0%)
Trade receivables	102,311	87.8%	84,072	76.3%	18,239	21.7%
Other receivables	6,307	5.4%	6,521	5.9%	(214)	(3.3%)
Current tax assets	316	0.3%	388	0.4%	(72)	(18.7%)
Trade payables	(8,117)	(7.0%)	(8,805)	(8.0%)	688	(7.8%)
Current employee benefits	(33,235)	(28.5%)	(27,291)	(24.8%)	(5,944)	21.8%
Other payables	(27,647)	(23.7%)	(23,284)	(21.1%)	(4,363)	18.7%
Current tax liabilities	(154)	(0.1%)	(834)	(0.8%)	680	(81.6%)
Provisions for current liabilities and charges	(2,444)	(2.1%)	(2,259)	(2.1%)	(185)	8.2%
Net working capital	37,337	32.0%	28,508	25.9%	8,829	31.0%
Total loans - net invested capital	116,536	100.0%	110,129	100.0%	6,407	5.8%
Equity	72,646	62.3%	63,520	57.7%	9,126	14.4%
Net Financial Indebtedness	43,164	37.0%	45,828	41.6%	(2,664)	(5.8%)
Employee benefits	726	0.6%	781	0.7%	(55)	(7.0%)
Total sources	116,536	100.0%	110,129	100.0%	6,407	5.8%

* Net Invested Capital

Intangible assets and goodwill

Intangible assets and goodwill totalled EUR 72,753 thousand as at 31 December 2016, down by EUR 98 thousand from 31 December 2015. They consist primarily of goodwill, customer relations and software.

The value of goodwill is attributable for EUR 44,535 thousand to acquisitions carried out before 2011 and the merger with WM S.r.l carried out in 2007, and for EUR 27,201 thousand to the acquisition and subsequent merger of Metis S.p.A. carried out in 2011.

The value of customer relations at 31 December 2016 is attributable to these relations in 2009 and 2010 as part of the acquisition of a business unit of the company J.O.B. S.p.A., and in 2011 following the acquisition of Metis S.p.A., net of the respective accumulated amortisation. The change recorded in 2016 with respect to 31 December 2015 is attributable to the increase of the historical cost in the amount of EUR 200 thousand following the purchase of the customer database of “Noi per Voi S.r.l.” and the depreciation for the period.

The items ‘Software’ and ‘Assets under development and payments on account’ relate to operational and management programs mainly bought from the Group. Specifically, Assets under development and payments on account at 31 December 2015 related to costs incurred for the development of software to support the operating processes and exchanges of information inherent to Agenzia per il Lavoro’s activities. The plan to develop the above mentioned software, which will be amortised from 2017, was completed in 2016 and the costs have consequently been reclassified to software.

Trade receivables

Trade receivables amount to EUR 102,311 thousand, compared to EUR 84,072 thousand as at 31 December 2015, and include trade receivables from related parties customers for EUR 20 thousand (EUR 44 thousand as at 31 December 2015). The item is recorded in the separate financial statements net of an allowance for impairment of EUR 4,005 thousand (EUR 9,553 thousand as at 31 December 2015). The decrease in the allowance is mainly due to the impairment loss on receivable from a major customer, as a result of it being patently non-collectible. It should also be noted that no transfers of receivables without recourse had been carried out at 31 December 2016, as at 31 December 2015.

The increase in trade receivables recorded at 31 December 2016 is essentially due to the higher level of turnover achieved during 2016 compared to the previous year. The average collection

period (DSO - Days Sales Outstanding) granted to customers appears to have increased compared to the same period of the previous year, from 71 days to 81 days, for the same reason. This increase, however, is mainly due to the acceleration of revenues occurred in the final part of 2016. Indeed, by calculating the DSO only on the fourth quarter of 2016, i.e. receivables/quarterly revenues * 90 days, a DSO of 72 days is achieved, basically in line with 2015 (71 days).

There are no receivables with insurance coverage.

There are no credit risk profiles for related parties.

Other receivables

At 31 December 2016, Other receivables totalled EUR 6,307 thousand, compared to EUR 6,521 thousand at 31 December 2015; they primarily relate to a credit for VAT refund and an IRES credit for IRAP deduction for the years 2007-2011 for EUR 1,272 thousand, receivables from the INPS (Italian Social Security Institution) for post-employment benefits for EUR 1,416 thousand (EUR 1,673 thousand at 31 December 2015), other prepayments for EUR 536 thousand (EUR 520 thousand at 31 December 2015), receivables from the tax authorities for disputes of EUR 1,328 thousand (EUR 788 thousand in 2015), other disputed receivables for EUR 1,095 thousand relating to a receivable from a former director of Metis S.p.A., and receivables from Forma.Temp for EUR 308 thousand (EUR 826 thousand at 31 December 2015).

The item Receivables from the INPS for post-employment benefits relates to the post-employment benefits of terminated contract workers, which is advanced by Openjobmetis S.p.A. to the worker and requested as a reimbursement from the INPS treasury, to which it had been previously paid.

The item Other prepayments mainly refers to advanced costs for sponsorships, bank fees and sundry rentals.

The item Receivables from tax authorities for disputes refers to the amounts paid following the assessment notices. For further information, please refer to point 29 of the Notes to the Separate and Consolidated Financial Statements.

Trade payables

At 31 December 2016, trade payables totalled EUR 8,117 thousand, compared to EUR 8,805 thousand at 31 December 2015, EUR 49 thousand of which to related parties for the sponsorship contract with a sports company, as described in point 32 of the Notes to the Separate and Consolidated Financial Statements (EUR 61 thousand at 31 December 2015).

Employee benefits

At 31 December 2016, payables for current employee benefits totalled EUR 33,235 thousand, compared to EUR 27,291 thousand at 31 December 2015, a EUR 5,944 thousand increase (+21.8%). The item mainly refers to payables for salaries and compensation to contract workers and company employees, in addition to the payables for post-employment benefits to contract workers. The increase recorded at 31 December 2016 compared to 31 December 2015 is attributable to the greater number of tasks for contract workers and to greater turnover in the last quarter of 2016 compared to 2015.

Given the nature of business carried out by the company and the average duration of employment contracts with contract workers, employee benefits represented by the post-employment benefits of contract workers are paid on average during the first months of the following year and were consequently regarded as current liabilities. Therefore, the liability was not discounted and corresponds to the obligation due to temporary workers at the end of the contract, without application of the projected unit credit method.

Other payables

At 31 December 2016, other payables totalled EUR 27,647 thousand, compared with EUR 23,284 thousand at 31 December 2015, a EUR 4,363 thousand increase (+18.7%). The item refers mainly to social security charges payable for EUR 16,583 thousand as at 31 December 2016 (EUR 13,774 thousand as at 31 December 2015), tax payables principally related to withholdings on employees' remunerations for EUR 10,386 thousand (EUR 9,136 thousand as at 31 December 2015), payables to subsidiaries and other payables amounting to EUR 141 thousand (EUR 189 thousand as at 31 December 2015).

Equity

At 31 December 2016, equity amounted to EUR 72,646 thousand, compared to EUR 63,520 thousand at 31 December 2015.

The change in equity recorded between 31 December 2015 and 31 December 2016 is mainly attributable to the net profit for the year 2016.

Net Financial Indebtedness

Net financial indebtedness shows a negative balance of EUR 43,164 thousand as at 31 December 2016, against a negative balance of EUR 45,828 thousand as at 31 December 2015.

The table below shows the net financial indebtedness of the Parent Company as at 31 December 2016 and 2015, calculated in accordance with the provisions of the Recommendation ESMA/2013/319.

<i>(Amounts in thousands of EUR)</i>	Financial statements as at 31 December		2016/2015 Change	
	2016	2015	Value	%
A Cash	20	21	(1)	(4.8%)
B Other cash and cash equivalents	6,391	20,000	(13,609)	(68.0%)
C Securities held for trading	-	-	-	-
D Cash and cash equivalents (A+B+C)	6,411	20,021	(13,610)	(68.0%)
E Current financial receivables	-	-	-	-
F Current bank payables	(17,881)	(31,191)	13,310	(42.7%)
G Current portion of non-current debt	(14,669)	(6,000)	(8,669)	144.5%
H Other current financial payables	(62)	(248)	186	(75.0%)
I Current financial indebtedness (F+G+H)	(32,612)	(37,439)	4,827	(12.9%)
J Net current financial indebtedness (D+E+I)	(26,201)	(17,418)	(8,783)	50.4%
K Non-current bank payables	(16,902)	(28,337)	11,435	(40.4%)
L Bonds issued	-	-	-	-
M Other non-current payables	(61)	(73)	12	(16.4%)
N Non-current financial indebtedness (K+L+M)	(16,963)	(28,410)	11,447	(40.3%)
O Net Financial Indebtedness (J+N)	(43,164)	(45,828)	2,664	(5.8%)

Risks related to operations

Risks related to the general operating performance

The general trend in the contract work market is affected by a number of factors beyond the Group's control, including the general economic environment and the employment level. Demand for contract workers is correlated with the GDP trend.

Negative economic conditions in Italy could adversely affect the demand for contract workers and lead to a proliferation of unlawful arrangements on the labour market, with consequent negative effects on the Group's business and expected results.

Risks relating to market competition

The staffing industry is highly competitive, and some of the competitors are large multinationals that are able to adapt quickly to market changes and to offer services at competitive prices, thanks to their financial strength, the marketing tools they can deploy, and the economies of scale they can take advantage of.

Therefore, it cannot be excluded that the current structure of Openjobmetis S.p.A. will prove inadequate to this competitive environment, and that in order to maintain its competitiveness it may have to take certain initiatives that other market players have resorted to, and consequently may incur out-of-budget costs, with possible impacts on the Company's and the Group's financial position, results of operations and cash flows.

Risks associated with changes in the national regulatory framework

Since its introduction in 2003, the temporary work contract has been the subject of subsequent legislative amendments that have progressively expanded the scope of application. Additionally, the legislators have recently reduced the number of cases where quasi-subordinate employment contracts can be used, thus potentially expanding the audience of contract work users.

Within the framework of these constantly evolving regulations, it cannot be ruled out that future legislative measures may reduce the number of cases where the use of the temporary work contract, whether open ended or fixed-term, is allowed, or the possible future introduction of types of contracts alternative to employment.

Any changes in the legislation and/or collective bargaining schemes regarding training services may adversely affect the possibility for the Group to manage professional training courses for contract workers, and ultimately the ability to provide companies that use contract workers with adequate and competitive training under the same conditions as apply today, and the Group's financial situation, results of operations and cash flows.

Risks to reputation and to the maintenance of Ministerial authorisations

The Group could in the future suffer negative consequences from possible damage to its reputation.

Openjobmetis S.p.A. and the Group companies Corium S.r.l. and Seltis S.r.l. conduct their business on the basis of authorisations issued by the Ministry of Labour and Social Affairs, which are mandatory for the performance of their activities.

Specifically: Openjobmetis S.p.A. conducts its business as a provider of contract work by virtue of a ministerial authorisation pursuant to Article 4, paragraph 1(a) of Italian Legislative Decree no. 276/2003; Seltis S.r.l. holds a ministerial authorisation pursuant to article 2, paragraph 1(c) of Italian Legislative Decree no. 276/2003, to provide personnel recruitment and selection services; Corium S.r.l. holds a ministerial authorisation pursuant to article 2, paragraph 1(d) of Italian Legislative Decree no. 276/2003 to provide professional outplacement support.

In the course of 2016 and previous years and to date, the ministerial authorisations granted to Group companies have not been subject to revocation or suspension. In addition, during the same period, Group companies have not received any remarks from the competent authorities, nor have they been involved in proceedings in connection with the ministerial authorisations.

Although to date there is no reason to believe that the above authorisations held by Openjobmetis S.p.A., Seltis S.r.l. and Corium S.r.l. may be suspended or revoked, it cannot be excluded that this may happen in the future, including as a result of any developments in the applicable regulatory requirements, with the possible consequence that the Company's and the Group's continuing operation would be compromised.

Risks associated with debt exposure and the ability to meet financial requirements

The Group uses bank loans and borrowings to finance its working capital in order to meet its cash requirements and obligations to pay the salaries of its employees and contract workers.

This means that any withdrawal by banks of the credit lines or facilities in place could negatively affect the Company's financial position, with the risk that, in order to honour its commitments, the Company may not find other sources of funding - or may find them at less advantageous conditions.

At 31 December 2016, the Group's bank loans and borrowings and loans and borrowing due to other financial backers (for leases) amounted to approximately EUR 49,509 thousand and EUR 72 thousand respectively, gross of cash and cash equivalents. With reference to the previous year, the Group's bank loans and borrowings and loans and borrowing due to other financial backers (for leases) at 31 December 2015 amounted to EUR 65,951 thousand.

This indebtedness could have a negative impact on the Group's financial positions, results operations and cash flows, particularly in cases of financial stress and reduction in turnover. In particular, if Openjobmetis S.p.A. were to be faced with a decrease in turnover, the need to comply with the obligations arising from the existing debt could subtract liquidity from the achievement of the Group's growth objectives and strategies, and limit the possibility for Openjobmetis S.p.A. to obtain any additional loans required to continue its business activities.

With particular reference to the senior loan existing at 31 December 2016, it should be noted that it provides for: (a) the obligation for the Company to comply with specific financial parameters, to be calculated every six months on the items of the Group's consolidated financial statements; (b) specific repayment requirements in some cases (including the requirement of early repayment of 30% of the proceeds from own funds arising from the share capital increase carried out within the context of the IPO unless the company completes, by 31 December 2016 (subsequently extended to 31 March 2017), the acquisition of a company and/or a business unit and/or an equity investment in the share capital of a company using all or part of the proceeds from own funds raised through the IPO); (c) certain non-performance events involving the right for the lenders to terminate the Loan Contract, or to withdraw therefrom and declare the Company's benefit of postponed payment to be forfeited, as the case may be.

Risks associated with court and/or arbitration proceedings and the possible inadequacy of provisions for risks

As at 31 December 2016, the Group companies are parties in certain proceedings, arising from the conduct of business and from events of a civil and tax nature involving the companies.

In addition, in view of the sector in which they operate, they are exposed to the risk of being involved in legal and/or arbitration proceedings of labour law nature, both with reference to

contract workers and to the organisational structure of the Group and in relation to contracts with independent collaborators, including commercial advisors, sources and professional consulting firms.

In 2016, the Group set aside EUR 600 thousand for risks relating to tax disputes; for further details, please refer to point 29 of the Notes to the Separate and Consolidated Financial Statements.

It cannot be excluded that the amounts set aside in the provisions for risks and charges are not adequate to cover the possible monetary outlay that the Group would face if the outcome of these proceedings were negative.

Risks associated with changes in interest rates

100% of the Group's financial indebtedness has variable interest rates, therefore the Group could be exposed to the risks associated with interest rate fluctuations.

To address these risks, the Group has adopted, over the previous years, partial hedging instruments against the risk of interest rate changes. More specifically, derivative contracts that qualify as "hedging instruments" have been agreed, aimed at transforming the variable rates applied into average fixed rates on the hedged portion of the loan. As at 31 December 2016, the average fixed rate resulting from hedging through these derivative contracts is 3.0%

As these instruments guarantee partial hedging, it cannot be excluded that any unpredictable fluctuations in interest rates may have adverse effects on the Group's financial position.

Risks associated with trade receivables

Although the Company has implemented actions to streamline the collection of invoices and to keep the customer base diversified, and consequently to manage the risks associated with debt recovery, the consolidated financial statements at 31 December 2016 show that the Group has trade receivables amounting to EUR 108,247 thousand, gross of the allowance for impairment, of EUR 4,072 thousand. As at 31 December 2015, these gross receivables totalled EUR 94,973 thousand.

It cannot be excluded that any non-performance of customers' payment obligations, or the mere delay in the execution of such payments, may reduce the liquidity available to the Company and the Group, increasing the need for additional sources of funding.

Additionally, any deterioration in the economic environment or negative market developments could have adverse effects on customer relations, compromising the possibility for the Group to recover its trade receivables, with possible negative impacts on the Group's business and financial position, results of operations and cash flows.

Research & Development and investments

In 2016, the main investment made by the company and the Group, amounting to approximately EUR 205 thousand relates to the further development of the management software “Databook”. This investment was self-financed by the Company using resources generated by its operations. The plan to develop the above software was completed in 2016.

As to future investments, Openjobmetis S.p.A. has not made any final commitments on the matter.

Relations with subsidiaries and related parties

The relationships between Group companies and of the Group with related parties, as identified on the basis of the criteria defined in IAS 24 - Related Party Disclosures, and the CONSOB regulations issued in this regard, are mainly commercial in nature and relate to transactions carried out under normal market conditions.

During the meeting of 12 October 2015, the Board of Directors approved the related party transactions policy and procedure, in accordance with article 2391-bis of the Italian Civil Code and with the “Regulations containing provisions on related party transactions” adopted by CONSOB with Resolution No. 17221 of 12 March 2010 and subsequent amendments. The aforementioned policy is available on the company’s website.

Relationships with subsidiaries

Openjobmetis S.p.A., whose core business is the provision of contract workers, owns 100% of:

- Seltis S.r.l.: focused on personnel recruitment and selection for third parties;
- Corium S.r.l.: focused on professional outplacement support;
- Openjob Consulting S.r.l.: focused on supporting the parent with payroll management tasks and training activities.

Openjobmetis S.p.A. maintains relations with the other Group companies of a trading nature. The revenue invoiced by Openjobmetis S.p.A. to the subsidiaries relate primarily to a range of general management, accounting and administrative support, management control, personnel management, sales management, debt collection, EDP and data processing, call centre and procurement services provided by the Parent to the other Group companies, as well as the supply of contract workers. The revenue invoiced by Openjob Consulting S.r.l. to Openjobmetis S.p.A. pertains to the processing of contract workers’ payroll, including the calculation and preparation of taxes and social security contributions and the processing of required periodic reporting. Openjobmetis S.p.A. believes that the terms and conditions of these operations are in line with normal market conditions.

It should be noted that for the three-year period 2016-2018, Openjobmetis S.p.A. and its subsidiaries Openjob Consulting S.r.l. and Seltis S.r.l. renewed the option for the domestic tax consolidation scheme pursuant to Articles 117/129 of the Consolidated income tax act, to which

the subsidiary Corium S.r.l. was added for the three-year period 2014-2016, thus benefiting from the possibility of offsetting the taxable profit with tax losses in a single tax return. Unless revoked, the option is automatically renewed for the next three years at the end of the three-year period.

The following table shows the relationships between the various Group companies in the course of 2016 and 2015.

Intra-group revenue/costs between Openjobmetis S.p.A. Group companies

(Amounts in thousands of EUR)

	2016	2015
Revenue		
Openjobmetis vs Openjob Consulting	206	264
Openjobmetis vs Corium	45	67
Openjobmetis vs Seltis	123	121
Seltis vs Openjobmetis	28	16
Corium vs Openjobmetis	221	0
Openjob Consulting vs Openjobmetis	1,239	1,065
Total revenue/costs	1,862	1,533

Intra-group receivables / payables between Openjobmetis S.p.A. Group companies

(Amounts in thousands of EUR)

	2016	2015
Receivables		
Openjobmetis vs Openjob Consulting	282	81
Openjobmetis vs Corium	11	0
Openjobmetis vs Seltis	0	150
Seltis vs Openjobmetis	26	0
Corium vs Openjobmetis	18	70
Total receivables/payables	337	301

Remuneration to key management personnel

As at 31 December 2016, total remuneration to key management personnel amounted to EUR 1,829 thousand, against EUR 1,784 thousand as at 31 December 2015.

In addition to salaries, the Group also offers certain key management personnel benefits in kind according to the ordinary contractual practice for company managers, such as company cars, company mobiles, health and injury insurance coverage.

It should also be noted that Director Rosario Rasizza, Director Biagio La Porta and Personnel Director Marina Schejola indirectly hold a 4.8% interest through MTI Investimenti SA, of which they are shareholders with 60%, 20% and 20% stakes, respectively. Also, Chairman Marco

Vittorelli and Director Corrado Vittorelli indirectly hold a 17.8% interest, through Omniafin (of which they are members with equal stakes), which holds this equity investment.

Other Related Party transactions

For details on transactions with related parties, please refer to section 32 of the Notes to the Separate and Consolidated Financial Statements.

In the course of normal business, the Group has provided staff supply services to other related parties for insignificant amounts and under market conditions.

Main significant subsequent events

During February 2017, the procedure to allocate bonus shares on the shares offered to employees during the IPO, was concluded.

Outlook

The Group operates in a sector that offers significant opportunities for growth. In recent years, as a result of its ability to capture those opportunities, the Group has laid the foundation for sustainable, long-term growth. In 2017, the Group envisages solid sales growth and an increase in profitability thanks to the improved performances achieved during 2016.

The Group also plans to further develop its Human Resources activities relating to contract work.

Reconciliation between the Parent's financial statements and the consolidated financial statements

The following table shows the reconciliation between the net profit for the year and equity in the separate financial statements of the Parent Openjobmetis S.p.A. and the net profit and equity in the consolidated financial statements of the Openjobmetis Group for 2016 and 2015.

EUR thousand	Net profit for 2016	Equity as at 31.12.2016
Openjobmetis S.p.A. Financial Statements	8,914	72,646
Profit for the year and reserves of the consolidated companies net of elimination of equity investments	2,352	1,736
Derecognition of dividends for the year	(2,100)	-
Recognition of goodwill due to subsidiaries	91	1,109
Other consolidation adjustments	4	487
Group consolidated financial statements	9,261	75,978

EUR thousand	Net profit for 2015	Equity as at 31.12.2015
Openjobmetis S.p.A. Financial Statements	4,403	63,520
Profit for the year and reserves of the consolidated companies net of elimination of equity investments	1,601	1,485
Derecognition of dividends for the year	(1,600)	-
Recognition of goodwill due to subsidiaries	91	1,018
Other consolidation adjustments	6	483
Group consolidated financial statements	4,501	66,506

Other informations

Quality management system of Openjobmetis S.p.A. and Internal Audit function

In 2007, Openjobmetis S.p.A. decided to have a quality system in place in order to ensure that its business is conducted to the satisfaction of all its internal and external customers. Certiquality S.r.l., in its capacity as independent certification body, confirmed the validity of the Openjobmetis S.p.A.'s quality system and in 2007 certified its compliance with the standard UNI EN ISO 9001. The system's conformity to the standard is verified on a yearly basis, and during February 2016 Openjobmetis S.p.A. was one of the first companies in Italy to be assessed for compliance with 2015 version of that standard. On 3 March 2016, the Group obtained the UNI EN ISO 9001 certification updated to 2015.

The management of Openjobmetis S.p.A. fully agrees with the 2015 version of UNI EN ISO 9001 providing for a time-based approach based on risk containment, and in this regard has requested an initial Risk Assessment already in 2015.

The new Internal Audit function was also established in December 2015.

The organisational model adopted for the management of Internal Audit processes is centralised and requires the presence of the Group's Internal Audit function, which operates within the organisational structure of Openjobmetis S.p.A.. On behalf of the Parent and all the subsidiaries, this function is responsible for carrying out, at Group level, in an independent and objective manner, assurance and advisory activities, adopting a systematic professional approach oriented towards improving the effectiveness and efficiency of the organisation and enhancing the effectiveness of risk management processes, the internal control and risk management system and, more generally, governance and compliance processes. With specific reference to the Group, the Internal Control System is "the set of rules, procedures and organisational structures aimed at enabling the identification, measurement, management and monitoring of key risks".

Treasury shares

The Company and its subsidiaries do not hold treasury shares, directly and or indirectly. The subsidiaries do not hold shares of the Parent, directly and or indirectly.

Management and Coordination

In accordance with Art. 2497-bis of the Italian Civil Code, the Parent is not managed or coordinated by other corporate structures, as all business decisions are taken independently by the Board of Directors.

Atypical or unusual transactions

The 2016 financial statements do not show any income components or capital and financial items, positive and/or negative, arising from atypical and/or unusual events and transactions.

Annual report on Corporate Governance, compliance with the Corporate Governance Code and information on the ownership structure

The annual report on corporate governance and compliance with the Corporate Governance Code, which also provides information on the ownership structure, is filed with the financial statements and will be made available to the public at the registered office and at Borsa Italiana S.p.A. within the time limits prescribed by law. The documentation will also be available on the company's website at: <http://www.openjobmetis.it>

Procedure adopted to ensure the transparency and fairness of related party transactions

The Board of Directors has appointed the Related Parties Committee and approved the procedure for the identification and management of related party transactions, and has subsequently identified all the individuals and companies that, should they enter into business relations with the Group, could potentially give rise to significant transactions for the purposes of the above. The Committee has commenced its activities and reviews the transactions that are brought to its attention.

Domestic tax consolidation scheme

It should be noted that for the three-year period 2016-2018, Openjobmetis S.p.A. and its subsidiaries Openjob Consulting S.r.l. and Seltis S.r.l. renewed the option for the domestic tax consolidation scheme pursuant to Articles 117/129 of the Consolidated income tax act, to which the subsidiary Corium S.r.l. had been added for the three-year period 2014-2016, thus benefiting from the possibility of offsetting the taxable profit with tax losses in a single tax return. Unless

revoked, the option is automatically renewed for the next three years at the end of the three-year period.

Amount of compensation paid to directors, statutory auditors and key management personnel

The table contained in point 33 of the notes to the consolidated financial statements shows the compensation paid in 2016 by Openjobmetis S.p.A. and its subsidiaries to members of the governing and control bodies and other key management personnel. This includes all the individuals who have held these positions even for a part of the year.

Information within the meaning of Articles 70 and 71 of the Issuers' Regulation approved by Consob Resolution No. 11971 of 14 May 1999 and subsequent amendments

The company relies on the faculty, introduced by CONSOB with Resolution No. 18079 of 20 January 2012, to waive the obligation to make available to the public an information document on the occasion of significant transactions related to mergers, demergers, share capital increases by way of contributions in kind, acquisitions and sales.

Proposed allocation of the Parent's profit for the year

The Board of Directors, taking into account the Parent's and the Group's development projects, proposes to resolve as follows with respect to profit for 2016:

- Allocation to legal reserve: EUR 445.7 thousand
- Allocation to the other reserves: EUR 8,468.6 thousand

Milan, 16 March 2017

For the Board of Directors

(signed on the original)

The Chairman

Marco Vittorelli

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

Consolidated Statement of Comprehensive Income

Consolidated Statement of Changes in Equity

Consolidated Statement of Cash Flows

Notes to the Consolidated Financial Statements



Consolidated Statement of Financial Position

<i>(In thousands of EUR)</i>	Notes	2016	2015
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,096	2,173
Intangible assets and goodwill	5	74,563	74,661
Financial assets	6	16	34
Deferred tax assets	7	2,895	5,230
Total non-current assets		79,570	82,098
Current assets			
Cash and cash equivalents	8	8,810	22,412
Trade receivables	10	104,175	85,359
Other receivables	11	6,061	6,357
Current tax assets	12	336	414
Total current assets		119,382	114,542
Total assets		198,952	196,640
LIABILITIES AND EQUITY			
Non-current liabilities			
Financial liabilities	13	16,963	28,410
Employee benefits	14	1,078	1,116
Total non-current liabilities		18,041	29,526
Current liabilities			
Bank loans and borrowings and other financial liabilities	13	32,567	37,293
Derivative instruments	30-13	51	248
Trade payables	15	8,224	8,943
Employee benefits	14	33,376	27,459
Other payables	16	27,881	23,372
Current tax liabilities	17	190	834
Provisions for risks and charges	18	2,644	2,459
Total current liabilities		104,933	100,608
Total liabilities		122,974	130,134
EQUITY			
Share capital		13,712	13,712
Legal reserve		666	426
Share premium reserve		31,553	31,553
Other reserves		20,786	16,314
Profit (loss) for the year		9,261	4,501
Equity attributable to:			
Shareholders of the parent		75,978	66,506
Non-controlling interests		0	0
Total equity	19	75,978	66,506
Total liabilities and equity		198,952	196,640

Consolidated Statement of Comprehensive Income

<i>(In thousands of EUR)</i>	Notes	2016	2015
Revenue	20	460,952	432,763
Costs of contract work	22	(400,724)	(374,503)
First contribution margin		60,228	58,260
Other income	21	11,957	10,514
Personnel expense	22	(28,012)	(27,705)
Cost of raw materials and consumables	23	(233)	(229)
Costs for services	24	(26,164)	(25,386)
Amortisation/depreciation	4.5	(1,046)	(1,283)
Provisions and impairment losses	26	(469)	(3,197)
Other operating expenses	25	(803)	(532)
Operating profit (loss)		15,458	10,442
Financial income	27	157	110
Financial expense	27	(1,606)	(3,330)
Pre-tax profit (loss)		14,009	7,222
Income taxes	28	(4,748)	(2,721)
Profit (loss) for the year		9,261	4,501
Other comprehensive income (expense)			
Components that are or may subsequently be reclassified to profit/loss			
Effective portion of changes in fair value of cash flow hedges		197	308
Components that will not be reclassified to profit/loss			
Actuarial gain (loss) from IAS 19 post-employment benefit valuation		15	(37)
Taxes on other comprehensive income (expense)		0	0
Total other comprehensive income (expense) for the year		212	271
Total comprehensive income (expense) for the year		9,473	4,772
Net profit (loss) for the year attributable to:			
Shareholders of the parent		9,261	4,501
Non-controlling interests		0	0
Profit (loss) for the year		9,261	4,501
Total comprehensive income (expense) attributable to:			
Shareholders of the parent		9,473	4,772
Non-controlling interests		0	0
Total comprehensive income (expense) for the year		9,473	4,772
<i>Earnings (loss) per share (in EUR):</i>			
<i>Basic</i>	36	0.68	0.41
<i>Diluted</i>	36	0.68	0.41

Consolidated Statement of Changes in Equity

<i>(In thousands of EUR)</i>	Note	Share capital	Legal reserve	Share premium reserve	Other reserves	Hedging reserve and actuarial reserve	Profit (loss) for the year	Equity controlling shareholders	Equity attributable to non-controlling interests	Total equity
Balances as at 01.01.2014	19	10,637	346	16,971	16,839	(833)	(2,116)	41,844	0	41,844
Allocation of profit (loss) for the year				(150)	(1,966)		2,116			
Effective portion of changes in fair value of cash flow hedges	19					280		280		280
Actuarial gain (loss) from IAS 19 post-employment benefit valuation						(136)		(136)		(136)
Profit (loss) for the year	19						1,939	1,939		1,939
Total comprehensive income (expense)	19					144	1,939	2,083	0	2,083
Balance as at 31.12.2014	19	10,637	346	16,821	14,873	(689)	1,939	43,927	0	43,927
Allocation of profit (loss) for the year			80		1,859		(1,939)			
Effective portion of changes in fair value of cash flow hedges	19					308		308		308
Actuarial gain (loss) from IAS 19 post-employment benefit valuation						(37)		(37)		(37)
Profit (loss) for the year	19						4,501	4,501		4,501
Total comprehensive income (expense)	19					271	4,501	4,772	0	4,772
Bond conversion		175		700				875		875
Share capital increase		2,900		14,032				16,932		16,932
Transactions with shareholders - Total contributions and distributions	19	3,075		14,732				17,807	0	17,807
Balance as at 31.12.2015	19	13,712	426	31,553	16,732	(418)	4,501	66,506	0	66,506
Allocation of profit (loss) for the year			240		4,261		(4,501)			
Effective portion of changes in fair value of cash flow hedges	19					197		197		197
Actuarial gain (loss) from IAS 19 post-employment benefit valuation						15		15		15
Rounding					(1)			(1)		(1)
Profit (loss) for the year	19						9,261	9,261		9,261
Total comprehensive income (expense)	19					212	9,261	9,473	0	9,473
Balance as at 31.12.2016	19	13,712	666	31,553	20,992	(206)	9,261	75,978	0	75,978

Consolidated Statement of Cash Flows

<i>(In thousands of EUR)</i>	Note	2016	2015
Cash flows from operating activities			
Profit (loss) for the year	19	9,261	4,501
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	4	540	504
Amortisation of intangible assets	5	506	779
Capital losses (gains) on sales of property, plant and equipment		34	(25)
Net decreases of intangible assets		0	0
Impairment loss on trade receivables	10 , 26	434	2,947
Current and deferred taxes	28	4,748	2,721
Listing costs recognised in profit or loss	24	0	1,570
Net financial expense	27	1,449	3,220
Cash flows before changes in working capital and in provisions		16,972	16,217
Change in trade and other receivables	10 , 11	(18,954)	(6,359)
Change in trade and other payables	15.16	3,790	4,272
Change in employee benefits	14	5,893	1,414
Change in current and deferred tax assets and liabilities	7	(464)	69
Change in provisions	18	185	120
Paid income taxes		(2,515)	(3,918)
Cash and cash equivalents generated/(absorbed) by operating activities (a)		4,907	11,815
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(563)	(606)
Proceeds from sales of property, plant and equipment		66	39
Other net increases in intangible assets	5	(408)	(185)
Change in other financial assets	6	18	49
Cash and cash equivalents generated/(absorbed) by investing activities (b)		(887)	(703)
Cash flows from financing activities			
Interest paid		(1,373)	(2,679)
Interest received		157	110
New loan disbursement	13	3,000	38,000
Fee payments related to financial liabilities	13	0	(785)
Repayment of previous loan	13	0	(32,200)
Repayment of loan instalments	13	(8,016)	0
Change in short-term bank loans and repayment of loan instalments	13	(11,390)	(10,075)
Change in payables to bondholders	13	0	(293)
Proceeds from listing net of costs	19 , 24	0	15,362
Cash and cash equivalents generated/(absorbed) by financing activities (c)		(17,622)	7,440
Cash flow for the year (a) + (b) + (c) + (d)		(13,602)	18,552
Net cash and cash equivalents as at 1 January	8	22,412	3,860
Net cash and cash equivalents as at 31 December	8	8,810	22,412

Notes to the Consolidated Financial Statements

General information

Openjobmetis S.p.A. (hereinafter also the “Company”) is based in Italy, Via G. Fara 35, Milan.

The Group works in the sector of contract work i.e. the professional supply of open-ended or temporary labour, pursuant to Article 20 of Italian Legislative Decree no. 276/2003 as amended and supplemented, pursuant to Article 4, paragraph 1, letter 9 of the same Italian Legislative Decree.

As from 3 December 2015 the company Openjobmetis S.p.A. is listed on the STAR segment of the online stock exchange (MTA) organised and operated by Borsa Italiana S.p.A..

To date, the company is not a subsidiary by law in accordance with article 93 of the Consolidated Law on Finance (TUF).

1. Accounting standards and basis of presentation adopted in preparing the financial statements

1. (a) Accounting standards and statement of compliance

The consolidated financial statements as at and for the year ended 31 December 2016 have been prepared in compliance with the International Financial Reporting Standards ((IAS/IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union and the interpretations thereof. The consolidated financial statements contain the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in shareholders' equity and the relevant explanatory notes.

In preparing these consolidated financial statements, the following formats, selected from the various options allowed by IAS 1, were used:

- the consolidated statement of financial position was prepared by classifying the values according to the format of current/non-current assets/liabilities;
- the consolidated statement of comprehensive income was prepared by classifying the values by nature;
- the consolidated statement of cash flows was prepared using the indirect method.

The purpose of the notes is to illustrate the preparation criteria adopted and to provide the information required by IAS/IFRS and not contained in other parts of the financial statements, as well as any additional information that is not shown in the financial statements but is necessary for a reliable representation of the Group's activities.

The consolidated financial statements were prepared on the basis of the accounting records as at 31 December 2016 on a going concern basis. Please refer to the Report on Operations of the consolidated financial statements as at 31 December 2016 for comments on the activities carried out in the year ended 31 December 2016, information on risks and uncertainties, outlook, information on the staff and the environment, and events subsequent to events.

Publication of the Group's consolidated financial statements was authorised by resolution of the Parent's Board of Directors on 16 March 2017. The Parent's Board of Directors has the authority to amend the consolidated financial statements until the date of the Shareholders' Meeting called to approve the Parent's separate financial statements. The Shareholders' Meeting has the authority to request changes to these consolidated financial statements.

The consolidated financial statements and related notes were prepared with amounts rounded to the nearest thousand euro, the functional currency of the Group. Moreover, for clarity of reading, the mandatory items pursuant to IAS 1 with zero balances were omitted in the formats and tables, in both periods presented for comparison.

In the preparation of these consolidated financial statements, the same accounting policies principles and preparation criteria were applied as were used in the preparation of the consolidated financial statements as at 31 December 2015.

The most important accounting policies and standards used by the Group to prepare the consolidated financial statements are described below.

2. Significant accounting policies

(a) General

The accounting policies described below were applied consistently in the years to which consolidated financial statements refer and by all entities of the Group.

The consolidated financial statements were prepared using the measurement basis at cost except for financial statement items that according to IAS/IFRS are compulsorily recognised at fair value (financial assets and liabilities) as indicated in the accounting policies shown below.

While preparing the consolidated financial statements, company management had to formulate valuations, estimates and assumptions that affect the application of the accounting policies and the amounts of assets, liabilities, costs and revenue recognised in the financial statements; however, it should be noted that, since these are estimates, the results achieved will not necessarily be the same results shown in the consolidated financial statements.

These estimates and assumptions are regularly revised; any changes resulting from the revision of accounting estimates are recognised in the year in which the revision is carried out and in future years.

In particular, information on the areas of greater uncertainty in the formulation of estimates and valuations during the process of application of IAS/IFRS that have a significant effect on the amounts recognised in the consolidated financial statements together with aspects of particular significance are provided below:

- *impairment test on goodwill*

Goodwill is subject to impairment tests at least annually or more often if there are indicators of an impairment loss.

Impairment testing is carried out using the discounted cash flow method: this method is highly sensitive to the assumptions contained in the estimate of future cash flows and interest rates used.

For this assessment, the Group uses plans approved by the administrative body and financial parameters in line with those resulting from the current performance of the reference markets.

Details regarding the procedures for preparing the goodwill impairment test are provided in Note 5.

- *Measurement of receivables*

The Group sets aside an allowance for impairment that reflects the estimate of losses on trade receivables, whose main components are the individual impairment losses on significant exposures and collective impairment losses on homogeneous groups of assets against losses that have not yet been identified. The collective impairment loss is calculated on the basis of the time series of losses. When there is certainty that it will not be possible to recover the amount due, the amount considered irrecoverable is deducted directly from the related financial asset.

The above requires the management to make significant estimates with regard to general economic conditions and any possible negative trends in the credit markets that could negatively impact customer relations.

- *Provisions for risks and charges*

The Group companies are parties in certain proceedings, arising from the conduct of business and from events of a civil and tax nature involving the companies.

In addition, in view of the sector in which they operate, they are exposed to the risk of being involved in legal and/or arbitration proceedings on a labour law nature, both with reference to contract workers and to the organisational structure of the Group and in relation to contracts with independent collaborators.

In the event that it is considered probable that as a result of the dispute a disbursement of resources - the amount of which can be reliably estimated - will be required, this amount, discounted to take account of the time horizon along which the disbursement will take place, is included in the provisions for risks. Disputes for which the occurrence of a liability is considered only possible but not probable are disclosed in the section on commitments and risks and, as a result, no appropriations are made with respect thereto.

Assessing the development of such disputes can be complicated and requires the management to make significant estimates.

(b) Consolidation criteria and scope

(i) Business combinations

The Group records business combinations by applying the acquisition method on the date on which it actually obtains control of the acquiree. The transferred consideration and the identifiable net assets acquired are usually recognised at fair value. The carrying amount of goodwill is tested for impairment on an annual basis to identify any impairment losses. Any gain arising from a bargain purchase is recognised immediately in profit (loss) for the year, whereas costs related to the business combination, other than those related to the issue of debt or equity instruments, are recognised as expense in profit (loss) for the year when incurred.

The amounts related to the termination of a pre-existing relationship are excluded from the transferred consideration. Normally, these amounts are recognised in profit (loss) for the year.

The contingent consideration is recognised at fair value at the date of acquisition. If the contingent consideration is classified as equity, it is not recalculated and its subsequent settlement is directly accounted for in equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit (loss) for the year.

If the incentives recognised in share-based payments (replacement awards) are exchanged with awards held by employees of the acquiree (acquiree awards), the value of these replacement awards of the acquiree is fully or partially included in the measurement of the transferred consideration for the business combination. This measurement considers the difference of the market value of the replacement awards compared to that of the acquiree awards and the proportion of replacement awards that refers to services rendered before the business combination.

(ii) Non-controlling interests

Non-controlling interests are measured in proportion to the relevant share of identifiable net assets of the acquiree on the date of acquisition.

The changes in the equity investment of the Group in a subsidiary that do not imply the loss of control are accounted for as transactions between owners.

(iii) Subsidiaries

Subsidiaries are companies controlled by the Group, or for which the Group is exposed to variable returns deriving from its relationship with the entity, or has claims over those returns, while having the ability to affect them by exercising its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the time when the parent starts to exercise control until the time when this control ends. Where necessary, the accounting policies of subsidiaries were changed to align them with the Group's accounting policies.

The subsidiaries included in the scope of consolidation as at 31 December 2016 and 2015 are shown below:

Name	% held as at 31/12/2016	Registered office	Share capital
Openjob Consulting S.r.l.	100%	Gallarate, Via Marsala 40/C	EUR 100,000
Seltis S.r.l.	100%	Milan, Via G. Fara 35	EUR 110,000
Corium S.r.l.	100%	Milan, Via G. Fara 35	EUR 32,000

Name	% held as at 31/12/2015	Registered office	Share capital
Openjob Consulting S.r.l.	100%	Gallarate, Via Marsala 40/C	EUR 100,000
Seltis S.r.l.	100%	Milan, Via G. Fara 35	EUR 110,000
Corium S.r.l.	100%	Milan, Via G. Fara 35	EUR 32,000

(iv) Loss of control

In the case of loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other equity components related to the subsidiaries. Any profit or loss deriving from the loss of control is recognised in profit (loss) for the year. Any equity investment retained in the former subsidiary is measured at fair value at the date of loss of control.

(v) Transactions derecognised during the consolidation

During the preparation of the consolidated financial statements, the balances of intragroup transactions as well as intragroup unrealised revenue and costs are derecognised. Unrealised gains deriving from transactions with equity-accounted investees are derecognised in proportion to the Group's interest in the entity. Unrealised losses are derecognised in the same way as unrealised gains to the extent that there are no indicators showing impairment.

(c) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency using the exchange rate in effect on the transaction date. Monetary items in foreign currency at the end of the reporting period are retranslated into the functional currency using the exchange rate at the same date. Exchange rate gains and losses of a monetary item are represented by the difference between the amortised cost in the functional currency at the beginning of the reporting period, adjusted to reflect the effective interest and the payments for the year, and the amortised cost in foreign currency translated at the exchange rate recognised at the end of the reporting period. Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates in force on the date the fair value was determined. Exchange rate differences deriving from the translation are recognised in profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents include cash balances and sight deposits and are recognised at their nominal amount, which corresponds to their fair value.

(e) Non-derivative financial instruments

Non-derivative financial instruments include investments in equities and debt instruments, trade and other receivables, financial liabilities, trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus - for instruments not measured at fair value through profit or loss - any directly attributable transaction costs. After initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised when the Group is “party” to the terms of contract of the instrument. A financial asset is derecognised when the Group’s contractual rights to the cash flows deriving from the financial assets expire or the Group transfers the financial asset to third parties without retaining control or substantially all risks and benefits of the ownership of the financial asset. A purchase or sale of financial assets is recognised on the date it is traded, i.e., the date on which the Group undertakes to purchase or sell the asset. A financial liability is considered discharged when the obligations specified in the contract are fulfilled, derecognised or discharged.

Note 27 describes the accounting treatment of financial income and expense.

Non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other receivables

Receivables from customers and other receivables, whose due date falls within normal current commercial terms, are initially recorded at fair value, which generally corresponds to their nominal amount, and subsequently measured at amortised cost net of any impairment losses identified. The impairment test of receivables is based on the present value of expected cash flows.

Loans and borrowings

Advance accounts and loans and borrowings are initially recognised at the fair value of the amount received, net of directly attributable additional charges. Subsequently, they are measured at amortised cost using the effective interest rate method. They are classified as current liabilities or non-current liabilities according to their settlement date.

Trade payables and other payables

Trade payables and other payables, the due date of which falls within normal current commercial terms, are initially recognised at fair value and subsequently recorded at amortised cost.

(f) Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to risks of changes in interest rates. Derivatives are initially recognised at fair value; attributable transaction costs are recognised in profit or loss when incurred. After initial recognition, derivatives are measured at fair value. Their changes are accounted for as described below. At the initial designation of the hedge, the Group documents the relationship between the hedging instruments and the hedged item, including the risk management objectives, the strategy for undertaking the hedge, together with the methods that will be used to assess the effectiveness of the hedging instrument. Both at the beginning of the hedge and during its period of validity, the Group assesses whether the hedge is expected to be highly effective in offsetting the changes in fair value or cash flows attributable to their hedged items during the period for which the hedge is designated and if the actual results of each hedging range from 80% to 125%. In cash flow hedging transactions of a forecast transaction, the transaction must have a high probability of occurring and must present an exposure to changes in cash flows that could have an effect on profit or loss.

Cash flow hedges

Changes in the fair value of the instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. For the ineffective portion, changes in fair value are recognised in profit or loss.

Hedge accounting, as indicated above, is discontinued prospectively if the instrument designated as a hedge no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised. The gain or loss is kept in equity until the envisaged transaction occurs. When the

hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount at the time at which it is recognised. In other cases, the amount recognised in equity is transferred to profit or loss in the same year in which the hedged item affects profit or loss.

(g) Property, plant and equipment

An item of property, plant and equipment is measured at cost less accumulated depreciation and impairment losses.

The historical cost includes any costs directly attributable to the acquisition of the asset.

If significant components have different useful lives, these components are recorded separately.

The cost of an asset produced on a time and materials basis includes the cost of materials used and of direct labour as well as other directly attributable costs for taking the asset to the location and under the conditions required for working as intended by company management.

Costs incurred after initial recognition of an item of property, plant and equipment are added to the carrying amount of the asset to which they refer if it is probable that the related future benefits will flow to the Group if the cost of the item can be reliably measured. Ordinary maintenance costs of property, plant and equipment are recognised in profit or loss during the year in which they are incurred.

The gains and losses generated by the sale of any property, plant or equipment are determined as the difference between the net proceeds on the sale and the carrying amount of the asset, and are recognised in profit or loss at the time of the disposal.

Depreciation is charged to profit or loss on a straight-line basis over the expected useful life of each item of property, plant and equipment estimated by the Group, which is reviewed every year and changes, where necessary, are applied prospectively.

The estimated useful lives in the years under review are as follows:

Asset	Depreciation
Property	33.3 years
Telephone systems	4 years
Electric installations	6.6 years
Furniture and fixtures	8.3 years
Electronic office machines	5 years
Signs	6.6 years
Sundry equipment	6.6 years
Motor vehicles	4 years
Alarm systems	3.3 years

Leasehold improvements are depreciated in the shorter period of time between the useful life and the term of the contract to which they refer.

Leased assets

At the beginning of an agreement, the Group checks if the agreement is or contains a lease. At the beginning of the agreement or upon revising it, the Group separates the lease payments and the other considerations required by the agreement classifying them as payments for the lease and payments for other elements on the basis of their fair values. If, in case of a finance lease, the Group concludes that splitting the lease payments reliably is not feasible, an asset and a liability of an amount equal to the fair value of the underlying asset is recognised. Subsequently, the liability is reduced as payments are made and a financial cost is recognised on the liability using the Group's incremental borrowing rate of interest.

Lease agreements that substantially transfer all the risks and benefits deriving from the ownership of the asset are classified as finance leases. Assets used by the Group acquired under finance leases are recognised at fair value of the leased asset or, if lower, at the present value of the minimum payments due for the lease. After initial recognition, the asset is measured in accordance with the accounting standard applicable to property, plant and equipment. Leased assets are depreciated in the shorter period of time between the term of the lease and its useful life unless it is reasonably certain that the Group will acquire its ownership at the end of the lease. Land is not depreciated.

Other leased assets fall within operating leases and are not recognised in the statement of financial position of the Group; the cost is recognised on a straight-line basis over the lease term.

The payments relating to operating leases are recognised as costs on a straight-line basis over the lease term. The incentives granted to the lessee are recognised as an integral part of the total cost of the lease over the lease term. The minimum payments due for finance leases are divided between interest expense and reduction of the residual liability. Interest expense is spread over the duration of the lease agreement so as to obtain a constant interest rate on the residual liability.

(h) Intangible assets and goodwill

(h.1) Goodwill

Goodwill is recognised at cost, net of accumulated impairment losses, calculated as indicated below.

Goodwill is tested for impairment based on expected future cash flows on an annual basis or more frequently if events or changes in circumstances that may give rise to any impairment losses occur. The impairment loss is not reversed if the reasons that generated it no longer exist.

(b.2) Customer relations

The value of customer relations was recorded based on the fair value identified on 30 June 2007, the business combination date between Wm S.r.l. and the former Openjob S.p.A. The historical cost increased due to the acquisition of the business unit of the company “J.O.B. S.p.A.” in 2009, the business combination with “Metis S.p.A” in 2011 and, lastly, the acquisition of the “Noi per Voi S.r.l” customer database on 1 July 2016. The value of customer relations was amortised based on the economic useful life estimated by the appraisals prepared by independent experts: 7.5 years for the business combination between “Wm S.r.l.” and the former “Openjob S.p.A.” and the acquisition of the business unit of “J.O.B. S.p.A.”, and 4.5 years for the business combination with Metis S.p.A, and, lastly, 4.5 years for the purchase of the “Noi per Voi S.r.l.” Customer Database.

(b.3) Other intangible assets

Other intangible assets acquired by the Group, which have a finite useful life, are stated at cost, less accumulated amortisation and accumulated impairment losses and mainly include the software purchased from third parties and amortised over 3 years and the Databook software developed internally, in use from 2017 and amortised over 5 years.

(i) Impairment losses

(i.1) Financial assets

A financial asset is impaired if there is any objective evidence that one or more events have had a negative effect on the expected estimated cash flows of that asset.

An impairment loss on a financial asset measured at amortised cost is the difference between the carrying amount and the present value of the estimated cash flows, discounted at the original effective interest rate. An impairment loss on an available-for-sale financial asset is calculated based on the current fair value of the asset.

Individually significant financial assets are tested separately to determine whether they have been impaired. The other financial assets are tested collectively for groups with similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any accumulated impairment loss on an available-for-sale financial asset previously recognised in equity is transferred to profit or loss.

Impairment losses are reversed if the subsequent increase in value can be objectively related to an event that occurred after the impairment. In the case of financial assets measured at amortised cost and available-for-sale financial assets corresponding to debt securities, the reversal is recognised in profit or loss. In the case of available-for-sale financial assets represented by equities, the reversal is recognised directly in equity.

(i.2) Non-financial assets

At the end of each reporting period, the Group tests the carrying amounts of its financial assets for impairment. If this test shows that the assets have actually been impaired, the Group estimates their recoverable amount. The recoverable amount of goodwill and of the intangible assets that are not yet available for use is estimated at each reporting date.

When the carrying amount of an asset or of a cash-generating unit exceeds its recoverable amount, the Group recognises the related impairment loss. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognised in profit or loss. Impairment losses of cash-generating units are charged first of all as a reduction of the carrying amount of the goodwill assigned to the cash-generating unit and, secondly, as a reduction of the other assets of the unit (group of units) proportionally to the carrying amount.

The recoverable amount of an asset or of a cash-generating unit is the higher of its value in use and its fair value less costs to sell. In order to calculate the value in use, the estimated expected cash flows are discounted by using a discount rate that reflects the current market evaluations of the time value of money and of the asset's specific risks.

Impairment losses of goodwill cannot be reversed. In the case of other assets, at each reporting date, impairment losses recognised in previous years are measured in order to recognise the existence of any indication suggesting the possible reduction or non-existence of the loss. The impairment of an asset is reversed when a change occurs in the valuations used for calculating the recoverable amount. The carrying amount resulting after the reversal of the impairment loss must

not exceed the carrying amount that would have been determined (net of amortisation) if the impairment loss on the asset had never been recorded.

(j) Taxes

Taxes for the year include current taxes and deferred taxes. Income taxes are recognised in profit or loss, except those related to transactions recognised directly in equity.

Current taxes represent the estimate of the amount of the income taxes due, calculated on the taxable profit for the year, determined by applying the tax rates in force or essentially in force at the end of the reporting period and any adjustment to the amount related to the previous years.

Deferred taxes are allocated in compliance with the equity method, calculating the temporary differences between the carrying amounts of assets and liabilities recorded in the financial statements and the corresponding values recognised for tax purposes. Deferred taxes are not allocated for the following temporary differences: initial recognition of goodwill, initial recognition of assets or liabilities in a transaction other than a business combination that does not affect the accounting profit or the taxable profit, as well as in the case of differences relating to investments in subsidiaries and companies subject to joint control for which it is possible to control the cancellation time and it is likely that in the foreseeable future the temporary difference will not be reversed. Deferred tax assets and liabilities are measured using the tax rates that are expected to be applicable in the year in which the asset or the liability to which they refer will be realised or discharged, respectively, on the basis of tax rates established by the measures in force or essentially in force at the reporting date.

Deferred tax assets are recognised to the extent that a future taxable profit against which these assets can be used may be available. 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 the related tax benefit will be achieved.

Additional income taxes resulting from the distribution of dividends are accounted for when the liability for the dividend payment is recognised. There are no reserves that will be taxed when distributed.

(k) Provisions for risks and charges

The Group recognises a provision when it has assumed a (legal or constructive) obligation, which can be reliably estimated as the result of a past event, and it is also likely that the utilisation of resources that can produce economic benefits will be necessary to fulfil the obligation. The amount of the provision is represented by the present value of expected estimated cash flows discounted at a pre-tax rate that reflects current market evaluations of the present value of money and the risks specific to the liability.

The Group recognises a provision for restructuring when the detailed and formal programme for restructuring has been approved and the restructuring has either started or been publicly announced. No provisions have been set aside for future operating costs.

(l) Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as a cost in profit or loss in the year in which they are incurred. Contributions paid in advance are recognised under Assets to the extent the advance payment will result in a reduction of future payments or a refund.

Defined benefit plans

The Group's net liability deriving from defined benefit plans is calculated separately for each plan by estimating the amount of the future benefit that the employees accrued in exchange for their services carried out in the current year and in prior years; this benefit is discounted and the fair value of plan assets is deducted from the liabilities.

The calculation is carried out by an independent actuary using the projected unit credit method. If the calculation generates a benefit for the Group, the amount of the asset recognised is limited to the present value of the economic benefits available in the form of repayments from the plan or of reductions in future contributions of the plan. In order to determine the present value of the economic benefits, minimum funding requirements that apply to any plan in the Group are considered.

Actuarial gains and losses, returns on plan assets (excluding interest) and the effect of the ceiling of the asset (excluding any interest) that arise as a result of revaluations of the net liability for defined benefit plans are immediately recognised in other comprehensive income (expense). Net

interests for the year on the net liability/(asset) for defined benefits are calculated by applying to the net liability/(asset) the discount rate used for discounting the defined-benefit obligation, calculated at the beginning of the year, considering any changes in the net liability/(asset) for defined benefits occurred during the year following the payment of contributions and benefits. Net interest and other costs relating to defined benefit plans are recognised in the profit (loss) for the year.

When changes are made to the benefits of a plan or when the plan is curtailed, the portion of the economic benefit related to past services or the profit or loss deriving from the curtailment of the plan are recognised in profit (loss) for the year when the adjustment or the reduction occurs.

The post-employment benefits due to the employees pursuant to Article 2120 of the Italian Civil Code fall within defined benefit pension plans, plans based on the working life of employees and on the remuneration received by the employee during a previously established service period.

In particular, the liability for post-employment benefits is recorded in the financial statements based on its actuarial value, as it qualifies as an employee benefit payable under a defined benefit plan. Recognition in the financial statements requires estimating with actuarial techniques the amount of employee benefits accrued in exchange for the work carried out in the current and prior years and the discounting of these benefits in order to determine the present value of the commitments of the Group.

Italian law no. 296 of 27 December 2006 (2007 Finance Act) introduced new rules for post-employment benefits accruing from 1 January 2007.

Following the supplementary pension reform:

- the portions of post-employment benefits accrued up until 31 December 2006 remain in the company;
- the portions of post-employment benefits accruing since 1 January 2007 must, at the employee's option, according to explicit or tacit acceptance:
 - a) be allocated to supplementary retirement plans;
 - b) be held within the company, which will transfer the portions of post-employment benefits to the treasury fund managed by INPS (the Italian Social Security Institution).

In both cases, the portions of post-employment benefits accrued after 1 January 2007 (or on the date the choice is made in the case of allocation to supplementary retirement plans) are considered as a defined contribution plan.

The 2007 Finance Act did not involve any amendment in the accrued post-employment benefits as at 31 December 2006, which therefore falls within the defined benefit pension plans. Moreover, as a result of the new regulations introduced by the 2007 Finance Act, the post-employment benefits “accrued” before 1 January 2007 (or on the date the choice is made in the case of allocation to supplementary retirement plans) undergo a significant change in calculation since the actuarial assumptions previously linked to salary increases no longer exist. More specifically, the liability related to the “accrued post-employment benefits” is measured using actuarial techniques as at 1 January 2007 (or on the date the choice is made in the case of allocation to supplementary retirement plans) without applying the pro-rata (years of service already rendered/total years of service), in that the employee benefits up until 31 December 2006 (or on the date the choice is made in the case of allocation to supplementary retirement plans) can be considered almost entirely accrued (with the sole exception of revaluation). It follows that, for the purposes of this calculation, “current service costs” related to future employee work must be considered null in that they are represented by payments of contributions to supplementary benefit funds or to the INPS treasury fund.

Short-term benefits

Short-term employee benefits are recognised as a cost on an undiscounted basis when the service giving rise to such benefits is supplied.

The Group recognises a liability for the amount expected to be paid in the form of profit sharing and incentive schemes when it has an actual, legal or constructive obligation to make such payments as a result of past events and the obligation can be reliably estimated.

Long-term employee benefits

The Group’s net liability as a result of long-term employee benefits corresponds to the amount of the future benefit that the employees have earned for work done in the current year and in previous years. This benefit is discounted. Revaluations are recognised in profit (loss) for the year when they emerge.

Benefits due to employees for termination of employment

The benefits due to employees for termination of employment are recognised as an expense when the Group has committed without possibility of withdrawal to provide such benefits, or

when the Group recognises restructuring costs, whichever is earlier. Benefits that are entirely payable more than twelve months after the end of the year are discounted.

Share-Based Payments

The fair value on the date of allocation of the granted options is recognised in personnel expense, with a corresponding increase in equity, over the period during which employees obtain the unconditional right of option. The amount recognised as a cost is adjusted to reflect the actual number of share option rights to be received by right.

The fair value of the amount payable to employees with regard to the rights of share revaluation, settled in cash, is recognised as a cost with a corresponding increase in liabilities over the period during which employees become entitled to the unconditional right to receive the payment. The liability is measured at the end of each reporting period and at the settlement date. Any changes in the fair value of the liability are recognised in profit or loss as personnel expense.

For 2016, as for the previous year, there are no share-based payment plans in place.

(m) Revenue

Revenue from services rendered is recognised in profit or loss based on the progress of the service at the reporting date. The progress is measured on the basis of work measurements. With reference to the supply of temporary work, this measurement is related to the physical presence of the worker at the customer's company.

Revenue is recognised when the recoverability of the consideration is probable and the costs of providing the service can be reliably estimated.

(n) Grants

Capital contributions and grants related to income are recognised when there is a reasonable certainty that the Group will meet the conditions for obtaining the grants and that the grants will be received. Capital contributions are recorded in the statement of financial position as deferred revenue under "Other payables" and systematically recognised in profit or loss against depreciation of the assets for which the grant was received. Grants related to income are recognised in profit or loss under the item "Other income".

(o) Financial income and expense

Financial income includes interest income on invested cash, dividends, income from the sale of available-for-sale financial assets, changes in fair value of financial assets recognised through profit or loss, exchange rate gains and gains on hedging instruments through profit or loss. Interest income is recognised in profit or loss on an accruals basis using the effective interest method. Dividends are recognised when the right of the Group to receive payment is established.

Financial expense includes interest expense on loans and finance leases, exchange rate losses, changes in fair value of financial assets designated at fair value through profit or loss, impairment losses on financial assets and losses on hedging instruments recognised in profit or loss. Costs related to loans and finance leases are recognised in profit or loss using the effective interest method.

(p) Payments relating to leases

Operating lease payables are recognised as a cost throughout the period of validity of the agreements and on an accruals basis of the lease payments envisaged in them.

The minimum payments due for finance leases are divided between interest expense and reduction in the residual payable. Interest expense is spread over the duration of the lease agreement so as to obtain a constant interest rate on the residual liability. Contingent lease payments are accounted for by revising the minimum payments due over the residual duration of the lease when the lease adjustment is notified.

(q) New standards published but not yet adopted

Several new standards or amendments to the standards and interpretations have been endorsed by the European Union and the relevant application is mandatory for years beginning after 1 January 2016; these standards have not been adopted in the preparation of these consolidated financial statements. Standards that could have an impact on the Group are indicated below. The Group does not intend to adopt these standards in advance.

IFRS 9 Financial instruments

Published in July 2014, IFRS 9 replaces IAS 39 Financial Instruments: recognition and measurement. IFRS 9 introduces new provisions for the classification and measurement of financial instruments, including a new model for expected losses for the purposes of calculating

impairment losses on financial assets, and new general provisions for the operations of hedge accounting. It also includes provisions for the recognition and derecognition of financial instruments in line with current IAS 39.

IFRS 9 is effective for years beginning on or after 1 January 2018. Early application is permitted. The Group is considering the potential impact of IFRS 9 on the consolidated financial statements.

The main impacts expected for companies that are not financial institutions concern:

- investments in debt and equity instruments: classification/measurement and valuation;
- financial assets (including trade receivables): measurement methods, including with reference to factoring transactions;
- hedge accounting: hedge accounting model;
- disclosures: more detailed disclosures and hedge accounting application.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 redefines the methods for collecting revenue from customer contracts. The standard replaces the recognition criteria set out in IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for years beginning on or after 1 January 2018. Early application is permitted. The Group is considering the potential impact of IFRS 15 on the consolidated financial statements.

The main impacts expected for service companies as a result of the application of this standard concern:

- contracts that contain multiple goods/services: criteria for separation and allocation of contractual amounts;
- long-term contracts: timeframe for recognising revenue;
- variable amounts: including discounts, bonuses, incentives and related aspects;
- costs for obtaining or executing a contract: accounting for costs of this type;
- disclosures: more detailed disclosures in both qualitative and quantitative terms.

Some standards or modifications of existing standards and interpretations are still undergoing approval. These include, in particular, IFRS 16 – Leasing, which significantly amends the accounting treatment for leases in the financial statements of lessees.

(r) Financial risk management

The Group is exposed to the following risks arising from the use of financial instruments:

- credit risk;
- liquidity risk;
- interest rate risk.

This section provides information on the Group's exposure to each of the above risks, the objectives, policies and processes for managing those risks and the methods used to measure them, as well as the management of the Group's capital.

The Board of Directors of Openjobmetis S.p.A. is responsible for creating and overseeing the Group's risk management system.

The purpose of the Group's risk management policies is to identify and analyse the risks to which it is exposed, establish proper limits and control and monitor the risks and the observance of such limits. These policies and related systems are revised regularly in order to reflect any changes in the market conditions and the Group's activities. Through training, standards and management procedures, the Group aims to create a regulated and constructive control environment in which its employees are aware of their roles and responsibilities.

(i) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will cause a financial loss by failing to discharge an obligation, and mainly derives from the Group's trade receivables.

The Group's exposure to credit risk mainly depends on the specific characteristics of each customer. The Group's customer portfolio consists of a large number of customers, and does not show significant levels of concentration vis-à-vis few customers. The main type of customer consists of medium/small sized companies, operating in almost all sectors. There is no strong geographic concentration of credit; part of it is mainly located in the regions of central and northern Italy.

Before supplying temporary workers, a proper evaluation procedure is carried out envisaging that the creditworthiness of each new customer be analysed individually before offering the standard conditions in terms of payment and supply. This analysis also includes external assessments, where available, and, in some cases, assessment of banking information. Supply limits, representing the maximum credit line beyond which the direct approval of the Management is required, are established for each customer.

All in all, the amount due from customers mainly consists of the total expense of the contract worker's remuneration, which includes, in addition to the elements of normal remuneration as per the National labour agreement of reference, remuneration accrued but not paid (thirteenth month and fourteenth month bonuses, holidays plus any other element), the margin and VAT calculated only on the margin of the Group.

Splitting the macro items that determine the trade receivable due from the customers offers a different degree of legal protection of the receivable. Indeed, in the event of customer bankruptcy, only the portion of receivable representing the remuneration of the contract worker is secured during repayment.

Receivables assigned following factoring transactions can be derecognised from the assets of the statement of financial position only if the risks and benefits related to their legal ownership were substantially transferred to the assignee. Receivables factored with recourse and receivables factored without recourse that do not meet this requirement continue to be recognised in the Group's consolidated financial statements, although they have been legally assigned; in this case, a financial liability of an equal amount is recorded under liabilities for the advance received.

(ii) Liquidity risk

The liquidity risk is the risk that the Group has difficulty in meeting the obligations related to financial liabilities. The approach of the Group in the management of liquidity is to ensure, as far as possible, that there are always sufficient funds for fulfilling its obligations when due, both in normal conditions and during financial difficulty, without having to bear excessive costs or running the risk of damaging its own reputation.

The Group monitors the economic and financial performance of each Branch thus facilitating the monitoring of liquidity requirements and optimising the return on investment. Generally, the Group makes sure that there are cash and cash equivalents on demand sufficient for covering the

expected operating costs for a period of 60 days, including those relating to liabilities represented by “Contract Workers Benefits” and to related contributory liabilities.

Moreover, the Group has had the following credit lines over the years:

2016

- EUR 7 million of cash revolving credit lines, at an average interest rate equal to the 3-month Euribor plus 2.5%, subject to compliance with economic and financial parameters as described below;
- EUR 84 million of credit lines that can be used against presentation of short-term trade receivables, generally at a variable rate linked to the Euribor.

2015

- EUR 7 million of cash revolving credit lines, at an average interest rate equal to the 3-month Euribor plus 2.5%, subject to compliance with economic and financial parameters as described below;
- EUR 75 million of credit lines that can be used against presentation of short-term trade receivables, generally at a variable rate linked to the Euribor.

As described below, the Group is subject to compliance with economic and financial parameters included in the loan agreement and calculated at the level of the Group’s consolidated financial statements.

With particular reference to the senior loan existing as at 31 December 2016, it should be noted that it provides for specific requirements of early repayment in certain cases (including the requirement of early repayment of 30% of the proceeds from own funds arising from the share capital increase carried out in the context of the IPO unless the Company completes, by 31 December 2016 (subsequently extended to 31 March 2017), the acquisition of a company and/or of a business unit and/or an equity investment in the share capital of a company using, in whole or in part, proceeds from own funds raised through the IPO).

Moreover, the Group has the following financial guarantees in place:

(In thousands of EUR)

<i>Beneficiary</i>	<i>Type</i>	2016	2015	Change
Ministry of Labour	Authorisation pursuant to Italian Legislative Decree no. 276	21,281	19,357	1,924
Third Parties	Sureties for participating in tenders	34	87	(53)
Third Parties	Sureties for leases	509	482	27
Third Parties	Other	549	513	36
Total		22,373	20,439	1,934

Guarantees given in favour of the Ministry of Labour refer to the binding force of the law to issue appropriate credit guarantees for workers employed through work employment contracts.

Sureties for leases refer to guarantees given in favour of various owners of the buildings in which the head office of the Group and some Branches are located.

(iii) Interest rate risk

The Group does not recognise any fixed-rate financial assets and liabilities; during previous years, derivative contracts hedging the risk of fluctuations in the interest rate were put in place with reference to part of the financial liabilities of the senior loan still outstanding at 31 December 2016.

(s) Segment Reporting

For the purposes of IFRS 8 Operating Segments, the Group only has one operating segment. For a more detailed analysis of the outlook and the operating indicators, please refer to the Report on Operations.

3. Acquisitions of subsidiaries and non-controlling interests

The original goodwill of EUR 45,962 thousand generated as from 1 July 2007 refers mainly to the skills and technical knowledge of the personnel of the Openjob S.p.A. group (with particular reference to Openjob S.p.A., In Time S.p.A. and Quandocorre S.p.A.) acquired in June 2007 by WM S.r.l., which was subsequently the subject of a reverse merger into Openjob S.p.A..

Moreover, during this business combination, the value of customer relations of Openjob S.p.A. and of the subsidiary Intime S.p.A. was reported for EUR 2,472 thousand and EUR 1,390 thousand, respectively, on the basis of an appraisal drawn up by an independent expert.

Following the acquisition and subsequent merger of Metis S.p.A. on 31 December 2011, due to the elimination of the carrying amount of the equity investment of EUR 34.9 million, against the related equity on the date of acquisition of 31 March 2011, amounting to EUR 7,795 thousand (IFRS carrying amount before the acquisition EUR 6,835 thousand) expressed in current values (i.e. after recognising customer relations of EUR 1,400 thousand and related deferred tax liabilities), a merger deficit was generated, entirely allocated to goodwill, of EUR 27,164 thousand.

Finally, following the acquisition in January 2013 of Corium S.r.l. for EUR 477 thousand (equity adjusted on the date of acquisition of approximately EUR 94 thousand), goodwill of EUR 383 thousand was recognised.

4. Property, plant and equipment

The following tables show the changes occurred in this item.

<i>(In thousands of EUR)</i>	Land and buildings	Plant and equipment	Other items of property, plant and equipment	Property, plant and equipment under development	Assets under finance lease	Leasehold improvements	Total
<i>Cost:</i>							
Balances as at 1 January 2015	1,862	558	3,179	0	109	199	5,907
Increases	0	121	450	35	0	0	606
Decreases	0	27	495	0	0	11	533
Balances as at 31 December 2015	1,862	652	3,134	35	109	188	5,980
<i>Depreciation and impairment:</i>							
Balances as at 1 January 2015	587	382	2,546	0	109	199	3,823
Increases	55	65	384	0	0	0	504
Decreases	0	25	484	0	0	11	520
Balances as at 31 December 2015	642	422	2,446	0	109	188	3,807
<i>Carrying amounts:</i>							
As at 1 January 2015	1,275	176	663	0	0	0	2,084
As at 31 December 2015	1,220	230	688	35	0	0	2,173

<i>(In thousands of EUR)</i>	Land and buildings	Plant and equipment	Other items of property, plant and equipment	Property, plant and equipment under development	Assets under finance lease	Leasehold improvements	Total
<i>Cost:</i>							
Balances as at 1 January 2016	1,862	652	3,134	35	109	188	5,980
Increases	0	107	456	0	0	0	563
Decreases	0	36	411	0	0	2	449
Reclassification	0	0	35	(35)	0	0	0
Balances as at 31 December 2016	1,862	723	3,214	0	109	186	6,094
<i>Depreciation and impairment:</i>							
Balances as at 1 January 2016	642	422	2,446	0	109	188	3,807
Increases	55	74	411	0	0	0	540
Decreases	0	22	325	0	0	2	349
Balances as at 31 December 2016	697	474	2,532	0	109	186	3,998
<i>Carrying amounts:</i>							
As at 1 January 2016	1,220	230	688	35	0	0	2,173
As at 31 December 2016	1,165	249	682	0	0	0	2,096

Land and buildings

The item includes buildings in the provinces of Udine, Brescia and in Rodengo Saiano (BS) plus one in Aprilia, held by means of a specific finance lease agreement; at the end of the lease agreement, the Group will be able to purchase the building at a previously established redemption price.

In 2008, following the business combination, the amount of EUR 501 thousand was recognised related to the greater value of the buildings based on the appraisal provided by an independent expert; this greater value, mainly related to the building of Rodengo Saiano (BS), has not undergone significant changes since the last time the appraisal was updated.

Plant and equipment

The Group has some non-current assets mainly related to equipment, plant and furniture at the Branches.

Other items of property, plant and equipment

The item mainly includes electronic office machines, fixtures and fittings, illuminated signs and motor vehicles.

5. Intangible assets and goodwill

The following tables show the changes occurred in this item.

<i>(In thousands of EUR)</i>	Goodwill	Customer relations	Software	Assets under development and payments on account	Total
<i>Cost:</i>					
Balances as at 1 January 2015	73,546	7,952	1,332	500	83,330
Increases	0	0	52	132	184
Decreases	0	0	1	0	1
Balances as at 31 December 2015	73,546	7,952	1,383	632	85,513
<i>Depreciation and impairment:</i>					
Balances as at 1 January 2015	0	6,960	1,114	0	8,074
Increases	0	606	173	0	779
Decreases	0	0	1	0	1
Balances as at 31 December 2015	0	7,566	1,286	0	8,852
<i>Carrying amounts:</i>					
As at 1 January 2015	73,546	992	218	500	75,256
As at 31 December 2015	73,546	386	97	632	74,661

<i>(In thousands of EUR)</i>	Goodwill	Customer relations	Software	Assets under development and payments on account	Total
<i>Cost:</i>					
Balances as at 1 January 2016	73,546	7,952	1,383	632	83,513
Increases	0	200	3	205	408
Decreases	0	0	1	0	1
Reclassification	0	0	837	(837)	0
Balances as at 31 December 2016	73,546	8,152	2,222	0	83,920
<i>Depreciation and impairment:</i>					
Balances as at 1 January 2016	0	7,566	1,286	0	8,852
Increases	0	408	98	0	506
Decreases	0	0	1	0	1
Balances as at 31 December 2016	0	7,974	1,383	0	9,357
<i>Carrying amounts:</i>					
As at 1 January 2016	73,546	386	97	632	74,661
As at 31 December 2016	73,546	178	839	0	74,563

Goodwill

At the end of each year, the Group tests goodwill for impairment. The impairment test on goodwill is carried out on the basis of the value in use through calculations based on projected cash flows taken from the five-year business plan.

The impairment test as at 31 December 2016 was made considering the cash generating unit consisting of all the operating assets and liabilities of the Group as a reference; the recoverable amount of the cash generating unit was tested by calculating the value in use, i.e. the present value of expected cash flows using a rate that reflects the specific risks at the measurement date.

The measurement was carried out on the basis of the 2017-2021 business plan, approved by the Board of Directors of the Group on 30 January 2017, prepared by management on the basis of both the historical economic and financial performances of the Group and of the expected future trend (which, according to OECD data, should lead to a GDP growth of 0.9% in 2017, expected to become stronger in 2018), and considering the strategy of the Group, the expected trend of the market of reference and the general macroeconomic situation. Provisional cash flows were estimated on the basis of the following assumptions:

- Revenue from contract work services: in the assumption of a growth of Italy's GDP and by virtue of the fact that in past years there has always been a very strong positive relation between changes in GDP and changes in the domestic market of contract work services, the assumption as regards revenue for the Company is of a growth, on a like-for-like

basis, of 7.3% in 2017; the forecast then drops to around 4.5% from 2018 to 2020, further reduced to 2.5% in 2021;

- Revenue from Training and Personnel Recruitment and Selection: expected to grow consistently with revenue from services.

These assumptions are based on the following growth drivers: (a) Italian economic recovery and expected developments in the reference market; (b) opportunities provided by changes in the regulatory framework; (c) strengthening of the business structure.

To calculate the terminal value, a prudential assumption was adopted of a steady state scenario (g-rate equal to zero), in which, given a zero growth, the obtainable cash flow on a like-for-like basis and from the year following the year related to the analytical forecasts, was estimated on the basis of the following main assumptions:

- EBITDA, normal average equal to the last year of analytical forecast;
- maintenance capital expenditure, equal to EUR 0.8 million;
- constant working capital;
- constant provisions.

These projections reflect the current conditions of all the operating assets and liabilities of the Group being measured and the values used are consistent with the historical performance of the Group, and partially diverging from the expectations of management in relation to the mentioned expected trends in the market of reference.

Due to their nature, forecasts are subject to unforeseen elements that could still affect them, such as failure by GDP to increase as expected, changes in interest rates and inflation rates, changes in revenue, margins and collection terms from customers because of the macroeconomic trend.

Projected cash flows were discounted taking into account a cost of unlevered risk capital, calculated on the basis of the Capital Asset Pricing Model (CAPM), of 10.0% (previous year equal to 10.7%) gross of the related tax effect. This rate reflects the current market evaluation of the time value of money for the period in question and the specific risks of the sector and country, Italy, where the Group operates. The WACC as at 31 December 2016 was estimated on the basis of the following assumptions:

- the risk-free rate used (3.2%) is equal to the sum of the real interest rate (1.2%) and expected inflation rate in the long term (2%);

- the beta coefficient (unlevered) was 1.1 on the basis of the characteristics of the sector concerned and of the beta recognised with reference to a sample of listed companies belonging to the sector concerned;
- the equity risk premium used is 5.0%;
- the country risk premium was assumed to be equal, by approximation, to the difference between the yield of Italian and German long-term government bonds registered at the end of 2016 (approximately 1.3%).

The present value of the tax shield of the debt - i.e. of the tax benefits related to the deductibility of financial expense - was added to the present value of expected cash flows.

The value in use as at 31 December 2016 calculated in this way was greater than the carrying amount of the cash generating unit. Therefore, no impairment losses were recognised as at 31 December 2016, as in previous years.

The carrying amount and the recoverable amount of the CGU, as recognised at the end of the last three years, are shown hereunder:

years	Carrying amount	Recoverable amount	Amount in excess, recoverable with respect to the carrying amount
2014	111,905	136,221	24,316
2015	111,337	125,062	13,725
2016	118,218	161,350	43,132

Even though the assumptions on the macroeconomic scenario, the developments in the sector in which the Group operates and the estimates of future cash flows are deemed appropriate, changes in the assumptions or circumstances can require that the analysis described above be modified. The sensitivity analysis as at 31 December 2016 shows that the value in use is equal to the carrying amount of the Cash Generating Unit in the event of an increase in the discount rate of 3.3 percentage points, all the other conditions being equal; similarly, in the case of a reduction in the cash flows by 26.8% throughout the plan period, the value in use would equal the carrying amount of the Cash Generating Unit.

It should also be noted that the impairment test as at 31 December 2016, approved by the Board of Directors of the Company on 16 March 2017, was not subject to a fairness opinion by independent expert. Finally, appraisals drawn up by independent expert were used for preparing it. Finally it should be noted that at 31 December 2016 the Company, whose shares are traded on

the STAR segment of the on line stock exchange (MTA) managed by Borsa Italiana S.p.A., capitalised approximately EUR 83,780 thousand.

Customer relations

The item Customer relations includes the value attributed to the customer relations of the former Openjob S.p.A. (historical cost of EUR 2,472 thousand) and of Intime S.p.A. (historical cost of EUR 1,390 thousand), as identified by the appraisal prepared by an independent expert. The customer relations were considered representative of the intangible asset that makes a significant as well as specifically identifiable contribution to the creation of the Group's result. In particular, the "excess earning method" was used to calculate it on the basis of which the income attributed to customer relations was obtained by deducting from the expected cash flows over the time horizon that defines the economic life of the intangible asset itself, defined below, the remuneration for the use of other items of property, plant and equipment and intangible assets that form the Group's result. Therefore, these flows were discounted at a rate of 9.97% deemed consistent with the risk profile attributable to the intangible asset in question. Its remaining useful economic life was identified in 7.5 years starting from the date of the estimate with reference to 30 June 2007. The item increased in 2009 and 2010 (a total of EUR 2,690 thousand) due to the acquisition of the business unit of J.O.B. S.p.A. consisting mainly of contracts in progress on the date of acquisition. Consequently, the amount paid was considered mainly due to customer relations at the date of acquisition, and was therefore recognised under Customer Relations. The useful life is deemed to be similar to the Customer Relations identified previously and therefore it is amortised over 7.5 years. The item increased again (EUR 1,400 thousand) in 2011 due to the acquisition of Metis S.p.A., in this specific case, the value identified by the appraisal prepared by an independent expert professional, with the same criteria previously used, is amortised in 4.5 years. Lastly, on 1 July 2016, the historical cost was increased by EUR 200 thousand following the purchase of the "Noi per Voi S.r.l" customer database, and is amortised over 4.5 years.

Software

The item Software refers to the operational and management programs acquired from the Group. The project to develop the Databook software, dedicated to supporting operational processes and exchanges of information regarding the activities of the Agenzia per il Lavoro, was completed towards the end of 2016 and the costs have subsequently been reclassified to software. The software will be amortised from 2017.

Assets under development

Assets under development and payments on account at 31 December 2015 relate to costs incurred for the development of the aforementioned software, reclassified as indicated above.

There are no fully amortised intangible assets of significant amounts still in use. The balances do not include impairment losses or reversals impairment losses.

6. Non-current financial assets

This item mainly consists of guarantee deposits paid for utilities of the registered office and the Branches.

7. Deferred tax assets and liabilities

Deferred tax assets and liabilities refer to the following items:

<i>(In thousands of EUR)</i>	Assets		Liabilities		equity	
	31/12/16	31/12/15	31/12/16	31/12/15	31/12/216	31/12/15
Property, plant and equipment	0	0	189	196	(189)	(196)
Intangible assets	36	52	0	0	36	52
Employee benefits	9	12	0	0	9	12
Provisions	395	493	0	0	395	493
Trade and other receivables	863	2,090	0	0	863	2,090
Costs with deferred deductibility	512	489	0	0	512	489
Interest expense that can be carried forward (Gross operating profit (loss))	725	1,538	0	0	725	1,538
Listing costs	544	752	0	0	544	752
Total	3,084	5,426	189	196	2,895	5,230

Temporary differences between the tax base of assets and liabilities and their carrying amounts were not excluded from the calculation of deferred taxes.

There are no tax losses that can be carried forward for which deferred tax assets can be recognised.

Tax assets and liabilities are measured using the tax rates that are expected to be applicable in the year in which the asset or the liability to which they refer will be realised or discharged, respectively, on the basis of tax rates established by measures in force or substantially in force at the reporting date (IRES 24% from 2017).

Changes in net deferred tax assets and liabilities were as follows:

<i>(In thousands of EUR)</i>	Balance as at 01 January 2016	Changes in profit or loss	Balance as at 31 December 2016
Property, plant and equipment	(196)	7	(189)
Intangible assets	52	(16)	36
Employee benefits	12	(3)	9
Provisions	493	(98)	395
Trade and other receivables	2,090	(1,227)	863
Costs with deferred deductibility	489	22	512
Interest expense that can be carried forward (Gross operating profit (loss))	1,538	(813)	725
Listing costs	752	(208)	544
Total	5,230	(2,336)	2,895

8. Cash and cash equivalents

The item includes the credit balance of bank and postal deposits and cash-in-hand.

<i>(In thousands of EUR)</i>	2016	2015	Change
Bank and postal deposits	8,788	22,388	(13,600)
Cash in hand and cash equivalents	22	24	(2)
Total cash and cash equivalents	8,810	22,412	(13,602)

With reference to the net financial indebtedness, as defined in CONSOB Communication No. 6064293, please refer to Note 13 below.

9. Other short-term financial assets

As at 31 December 2016, there were no short-term financial assets.

10. Trade receivables

The item is made up as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
From third-party customers	108,246	94,972	13,274
From related parties	1	1	0
Allowance for impairment	(4,072)	(9,614)	5,542
Total trade receivables	104,175	85,359	18,816

As at 31 December 2016 and 2015, there were no trade receivables arising from factoring with recourse. Total receivables are exclusively related to Italian customers; therefore, there are no receivables in currencies other than the Euro. At the reporting dates, there was no concentration of receivables from a limited number of customers.

As at 31 December 2016 and 2015, the Group had no outstanding factoring transactions without recourse.

Trade receivables from related parties refer to receivables for services related to staff supply, as described in greater detail in note 32.

The item is recorded in the consolidated financial statements net of an allowance for impairment of EUR 4,072 thousand. The increase in receivables is essentially due to the higher turnover achieved in 2016, and in particular during the last quarter of the year, compared to the previous year.

An analysis of the D.S.O. shows that the extension days granted on average to customers appear to have increased, compared with the same period of last year, from 71 to 81 days. This increase, however, is mainly due to the acceleration of revenues occurred in the final part of 2016. Indeed, by calculating the D.S.O. only on the fourth quarter, i.e. receivables/quarterly revenues * 90 days, a D.S.O. of 72 days is achieved, basically in line with 2015 (71 days).

Please refer to note 30(a) “Impairment losses” for more information about the analysis of the exposure to trade receivable at the reporting date.

11. Other receivables

The item is made up as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
Receivable for refunding of VAT and IRES receivable on IRAP 2007-2011	1,272	1,390	(118)
Receivable from the INPS treasury funds for post-employment benefits	1,416	1,704	(288)
Prepayments for insurance costs	19	19	0
Other prepayments	564	528	36
Other disputed receivables	1,095	1,095	0
Receivables from Forma.Temp	308	826	(518)
Receivable from tax authorities for disputes	1,328	788	540
Other sundry receivables	59	7	52
Total other receivables	6,061	6,357	(296)

The item Other disputed receivables refers to the receivable from a former Director of Metis who left office in 2009; the Provisions for risks reflect the considerations made for this litigation.

Other prepayments at 31 December 2016 of EUR 564 thousand and at 31 December 2015 of EUR 528 thousand mainly refer to advance costs entirely recognised during the current year, relating to sponsorships, bank fees and sundry rentals.

The item Receivables from tax authorities for disputes refers to the amounts paid following the assessment notices, as described in detail in Note 29.

12. Current tax assets

At 31 December 2016, the receivable for current income taxes amounted to EUR 336 thousand and refers to the receivable from tax authorities for IRAP in the amount of EUR 21 thousand and tax receivables for the domestic tax consolidation scheme (IRES) in the amount of EUR 315 thousand. At 31 December 2015, the receivable from tax authorities for IRAP amounted to EUR 414 thousand.

13. Bank loans and borrowings and other financial liabilities

This note illustrates the contractual conditions that regulate the Group's financial liabilities. For further information on the exposure of the Group to the interest rate risk, reference is made to Note 30.

<i>(In thousands of EUR)</i>	2016	2015	Change
Non-current liabilities			
ICCREA-BCC Loan	1,006	0	1,006
Tranche A Senior Loan	15,896	28,337	(12,441)
Finance lease payables	61	73	(12)
Total non-current liabilities	16,963	28,410	(11,447)
Current liabilities			
Tranche A Senior Loan	12,675	6,000	6,675
Non-guaranteed bank loans and borrowings	17,887	29,267	(11,380)
Derivative instruments	51	248	(197)
ICCREA-BCC Loan	1,994	2,016	(22)
Finance lease payables	11	10	1
Total current liabilities	32,618	37,541	(4,923)
Total current and non-current liabilities	49,581	65,951	(16,370)

On 26 June 2015, a medium to long-term amortising loan of EUR 35 million was subscribed and issued, which envisages a revolving credit line of EUR 7 million not used on the date of approval of the consolidated financial statements.

On 23 December 2016, a pool loan (BCC and ICCREA BANK) was granted in the amount of EUR 3,000 thousand, expiring on 22 June 2018, to be repaid in 6 quarterly instalments.

The contractual conditions of bank loans and borrowings and other financial liabilities, excluding derivatives, are set out below:

<i>(In thousands of EUR)</i>				31 December 2016		31 December 2015	
	Curr.	Nominal interest rate	Year of maturity	Nominal amount	Carrying amount	Nominal amount	Carrying amount
Senior loan – Tranche A	EUR	Euribor*	2020	29,000	28,571	35,000	34,337
ICCREA-BCC Loan	EUR	Euribor**	2018	3,000	3,000	2,016	2,016
Non-guaranteed bank loans and borrowings	EUR	1.00% ***		17,887	17,887	29,267	29,267
Finance lease liabilities	EUR	5.00% ***	2021	72	72	83	83
Total interest-bearing liabilities				49,959	49,530	66,366	65,703

* 1-month Euribor plus a spread ranging from a minimum of 2.15% to a maximum of 3.35% also in relation to compliance with certain financial constraints

** 3-month Euribor plus a 1.20% spread

*** These are approximate average rates

The new medium to long-term loan outstanding requires compliance with the economic and financial covenants normally applied on the market. The banks have the right to request the termination of the loan agreement only in the event that two covenants, even if not the same, are not met for two consecutive measurement periods. As has happened before in the past, at the reporting date one covenant has not been met because of strong sales growth in the last quarter, and therefore said measurement is not representative of the actual performance of the Group. No effect on the outstanding loan is envisaged. At 31 December 2016, EUR 5,075 thousand of the senior loan was reclassified from non-current liabilities to current liabilities in relation to an obligation to include it in the relevant loan agreement as indicated in Note 2.

The covenants that must be complied with on a consolidated basis are shown below:

Calculation Dates	$\frac{\text{NFI}}{\text{EBITDA}}$ ≤	$\frac{\text{NFI}}{\text{E}}$ ≤	DSCR ≥
31 December 2016	3.6x	1.4x	1.0x
30 June 2017	3.0x	1.25x	1.0x
31 December 2017	2.75x	1.2x	1.0x
30 June 2018	2.3x	1.1x	1.0x
31 December 2018	2.0x	1.0x	1.0x

NFI = Net Financial Indebtedness

EBITDA = Profit (loss) for the year before income taxes, net financial expense, amortisation/depreciation, provisions and impairment losses.

E = Equity

DSCR =Debt Service Cover Ratio, ratio between Free cash flow and Debt Service calculated with respect to the same Reference Period, on a Group consolidated basis.

Finance lease payables are made up as follows:

<i>(In thousands of EUR)</i>	Minimum finance lease payments due	Interest	Capital	Minimum finance lease payments due	Interest	Capital
Non-current liabilities	2016	2016	2016	2015	2015	2015
Due within one year	14	3	11	14	4	10
Due after one year	67	6	61	83	10	73
Total	81	9	72	97	14	83

The Group's net financial indebtedness as at 31 December 2016, 2015, 2014 and 2013, calculated in accordance with the provisions in the Recommendation ESMA/2013/319, is shown below.

<i>(In thousands of EUR)</i>	Financial statements as at 31 December				Change 2016 vs. 2015	
	2016	2015	2014	2013	Value	%
A Cash	22	24	23	23	(2)	(8.3%)
B Other cash and cash equivalents	8,788	22,388	3,837	4,133	(13,600)	(60.7%)
C Securities held for trading	-	-	-	-	-	-
D Cash and cash equivalents (A+B+C)	8,810	22,412	3,860	4,156	(13,602)	(60.7%)
E Current financial receivables	-	-	-	-	-	-
F Current bank payables	(17,887)	(31,283)	(38,346)	(50,015)	13,396	(42.8%)
G Current portion of non-current debt	(14,669)	(6,000)	(6,600)	(6,600)	(8,669)	144.5%
H Other current financial payables	(62)	(258)	(566)	(846)	196	(76.0%)
I Current financial indebtedness (F+G+H)	(32,618)	(37,541)	(45,512)	(57,461)	4,923	(13.1%)
J Net current financial indebtedness (D+E+I)	(23,808)	(15,129)	(41,652)	(53,305)	(8,679)	57.4%
K Non-current bank payables	(16,902)	(28,337)	(25,072)	(31,293)	11,435	(40.4%)
L Bonds issued	-	-	(1,168)	(1,123)	-	-
M Other non-current payables	(61)	(73)	(84)	(93)	12	(16.4%)

<i>(In thousands of EUR)</i>	Financial statements as at 31 December				Change 2016 vs. 2015	
	2016	2015	2014	2013	Value	%
N Non-current financial indebtedness (K+L+M)	(16,963)	(28,410)	(26,324)	(32,509)	11,447	(40.3%)
O Net Financial Indebtedness (J+N)	(40,771)	(43,539)	(67,976)	(85,814)	2,768	(6.4%)

14. Employee benefits

(a) current

The balance of the item current employee benefits includes:

<i>(In thousands of EUR)</i>	2016	2015	Change
Salaries payable to contract workers	24,996	20,707	4,289
Emoluments payable to contract workers	5,546	3,989	1,557
Post-employment benefits of contract workers	612	381	231
Remuneration payable to employees	2,222	2,382	(160)
Total payables for employee benefits	33,376	27,459	5,917

Given the nature of the business carried out by the Group and the average duration of employment contracts with contract workers, employee benefits represented by the post-employment benefits of contract workers are paid on average during the first months of the following year and were consequently regarded as current liabilities. Therefore, the liability was not discounted and corresponds to the obligation due to temporary workers at the end of the contract.

The increase recorded at 31 December 2016 compared to 31 December 2015 is attributable to the greater number of tasks for contract workers and to greater turnover in the last quarter of 2016 compared to 2015.

(b) non-current

The balance of the item Employee benefits relates to post-employment benefits to employees. The change in the payable related to employee benefits in the different years is summarised as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
Payables for employee benefits as at 1 January	1,116	1,074	42
Cost recognised in profit or loss	77	70	7
Payments during the year	(100)	(65)	(35)
Actuarial valuation	(15)	37	(52)
Total payables for employee benefits	1,078	1,116	(38)

The amount is recognised in profit or loss as per the following table:

<i>(In thousands of EUR)</i>	2016	2015	Change
Current service cost	60	48	12
Interest expense on the obligation	17	22	(5)
Total	77	70	7

The liability related to the post-employment benefits is based on the actuarial valuation made by independent experts according to the following main parameters:

	2016	2015
Projected future salary increases (average value)	1.0%	1.0%
Projected staff turnover	9.0%	9.0%
Discount rate	1.7%	1.6%
Average inflation rate	1.5%	2.0%

15. Trade payables

The item includes trade payables for the provision of services and consultancy.

Total payables at the reporting date are exclusively due to Italian suppliers. Moreover, there are no payables in currencies other than the Euro. At the reporting date there were no concentrations of payables to a limited number of suppliers.

The item is broken down as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
Trade payables to third parties	8,175	8,882	(707)
Trade payables to related parties	49	61	(12)
Total trade payables	8,224	8,943	(719)

Payables to related parties at 31 December 2016 derive from the sponsorship contract with a sports company. They have been adjusted for comparative purposes as a result of a change in 2016 in the identification of related parties, as described in more greater detail in Note 32.

16. Other payables

The item is broken down as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
Social security charges payable	16,686	13,863	2,823
Tax payables	10,562	9,213	1,349
Payables to Forma.Temp	537	185	352
Other payables	96	111	(15)
Total other payables	27,881	23,372	4,509

Social security charges payable mainly refers to payables to INPS (the Italian Social Security Institution), INAIL (the Italian National Institute for Insurance against Accidents at Work) and other social security institutions referring to remunerations to contract workers and employees.

The item tax payables is broken down as follows:

<i>(In thousands of EUR)</i>	2016	2014	Change
Withholding taxes – Employees	9,904	9,031	873
VAT and other minor payables	658	182	476
Total tax payables	10,562	9,213	1,349

17. Current tax liabilities

Current tax liabilities refer to the payable to the tax authorities for IRAP of EUR 190 thousand.

At 31 December 2015, current tax liabilities refer to the payable to the tax authorities for IRES of EUR 834 thousand.

18. Provisions for risks and charges

Provisions were broken down as follows:

<i>(In thousands of EUR)</i>	Balance as at 1.1.2016	Increases	Uses	Balance as at 31.12.2016
Litigation matters	2,459	634	(449)	2,644

The item refers to possible future charges related to certain disputes with personnel, to a dispute related to a non-trade receivable, to a dispute with the Inland Revenue Agency and to certain disputes with a Group company, in regard to which reference should be made to Note 29 for further information, in addition to other minor risks. The increases during the year relate mainly to a tax risk with regard to which reference is made to Note 29.

19. Equity

(a) Share capital

<i>(In thousands of shares)</i>	2016	2015
Ordinary shares		
Issued as at 1 January	13,712	10,637
Issued as at 31 December	13,712	13,712

As at 31 December 2016, the approved share capital consists of 13,712,000 ordinary shares held by Wise Sgr S.p.A as the management company of “Fondo Comune di Investimento Mobiliare Wisequity II e Macchine Italia” (35.5%), by Omniafin S.p.A. (17.8%), by MTI Investimenti S.A. (Luxembourg) (4.8%), by Quamvis S.C.A. SICAV-FIS (9,0%) while the rest (32.9%) is held by the market.

The Company did not issue any preference shares.

The share capital has been fully paid up.

(b) Share premium reserve

The Share premium reserve includes the share premium paid as a result of the share capital increase made during the extraordinary shareholders’ meeting of 18 March 2005 (EUR 3,899 thousand), the share premium recognised as a result of the share capital increase made on 11 June 2007 (EUR 51 thousand), the share premium recognised as a result of the share capital by injection of 14 March 2011 (EUR 5,030 thousand), the share premium paid as a result of the

share capital increase on 14 March 2011 (EUR 7,833 thousand), the share premium recognised as a result of the conversion of the bond loan on 26 June 2015 (EUR 700 thousand), and the share premium recognised as a result of the Public Offering of Sale and Subscription made on 3 December 2015 (EUR 16,240 thousand). Lastly, the reserve was reduced by EUR 2,208 thousand for the portion of the listing costs related to the public subscription offering (i.e. costs directly attributable to the latter and portion pro rata of the other listing costs, in proportion to the number of shares related to the public subscription offering, relative to the total number of shares of the initial public offering, including the greenshoe option).

(c) Other Reserves

The item Other Reserves includes the residual portion of EUR 15,602 thousand of the reserve of WM S.r.l. originally of EUR 25,959 thousand. This reserve was used in part to cover the losses for 2007, and increased following the merger surplus with Quandocorre S.p.A.; subsequently, it decreased to cover the 2009 losses carried forward.

As at 31 December 2016, in accordance with IAS 19, the net actuarial gain of EUR 15 thousand - resulting from the difference between the expected benefits calculated for the period of reference and the actual benefit resulting from the new valuation assumptions at the end of the period - was accounted for in equity.

As described above, the fair value at 31 December 2016 of derivative contracts put in place to hedge interest rate risks related to the outstanding senior loan, totalling EUR 51 thousand, was accounted for to reduce equity.

20. Revenue

A breakdown of revenue by type of contract work, all in EUR and from Italian customers, is summarised in the following table:

<i>(In thousands of EUR)</i>	2016	2015	Change
Revenue from contract work	454,040	425,613	28,427
Revenue from personnel recruitment and selection	1,735	1,662	73
Revenue from outplacement	255	404	(149)
Revenue from other activities	4,922	5,084	(162)
Total Revenue	460,952	432,763	28,189

The item “Revenue from other activities” mainly refers to consultancy on bureaucratic, administration and organisational matters as part of the training activities developed in different reference periods, revenue from the active policies and rewards (“premia”) recognised by Forma.Temp, revenue from Dote Lavoro, and the sale of ad hoc training on assignment, and other minor revenue.

21. Other income

The item includes:

<i>(In thousands of EUR)</i>	2016	2015	Change
Recognition of grants from Forma.Temp	10,085	8,783	1,302
Other sundry income	1,872	1,731	141
Total other income	11,957	10,514	1,443

The recognition of grants from Forma.Temp refers to grants received from this Body for the repayment of the costs incurred for training courses for contract workers, included in the item Costs for services.

The grants are recognised by the Body on the basis of the specific reporting of costs for the organising and carrying out of training activities. The relevant revenue recognition occurs in a timely manner on the basis of the reporting of costs incurred for each course.

The item Other sundry income mainly includes income relating to the collection of previously impaired receivables, to adjustments to the allocations of costs related to previous years and to other minor income.

22. Personnel expense

The item includes:

Cost of contract work

<i>(In thousands of EUR)</i>	2016	2015	Change
Wages and salaries of contract workers	287,157	266,776	20,381
Social security charges of contract workers	86,403	82,630	3,773
Post-employment benefits of contract workers	14,054	12,883	1,171
Forma.Temp contributions for contract workers	11,130	10,414	716
Other costs of contract workers	1,980	1,800	180
Total personnel expense	400,724	374,503	26,221

Forma.Temp contributions refer to the compulsory payment to the Bilateral body of approximately 4% of some elements of gross salaries of contract workers, to be allocated to the promotion of qualification courses for the workers themselves.

Other costs of contract workers mainly refer to additional charges such as luncheon vouchers and various refunds.

Personnel expense

<i>(In thousands of EUR)</i>	2016	2015	Change
Salaries and wages of employees	18,801	18,669	132
Social security costs of employees	5,567	5,575	(8)
Post-employment benefits of employees	1,267	1,211	56
Remuneration to the Board of Directors and committees	1,287	1,254	33
Social security costs of the Board of Directors	63	102	(39)
Directors' Fringe Benefits	0	20	(20)
Other employee costs	1,027	874	153
Total personnel expense	28,012	27,705	307

Other employee costs mainly refer to additional charges such as luncheon vouchers and various refunds.

The remuneration of key management personnel is indicated in Note 33.

The remuneration of the Board of Directors and the costs for salaries and related social security charges for the year ended 31 December 2015, include non-recurring expenses, i.e. rewards to key management personnel related to the listing on the on line stock exchange (MTA), totalling EUR 570 thousand.

The average number of employees is set out below:

Average number of employees	2016	2015	Change
	no.	no.	
Executives – employees	2	2	0
White-collar staff – employees	577	566	11
Total	579	568	11

23. Cost of raw materials and consumables

The item mainly includes costs for consumables, stationery and other minor expenses.

24. Costs for services

The item includes:

<i>(In thousands of EUR)</i>	2016	2015	Change
Costs for organising courses for temporary workers	10,085	8,783	1,302
Costs for tax, legal, IT, business consultancy	2,713	1,845	868
Costs for marketing consultancy	1,932	2,435	(503)
Non-recurring costs for services	237	2,224	(1,987)
Fees to sources and professional advisors	1,984	1,180	804
Rental expenditure	2,386	2,287	99
Costs for advertising and sponsorships	1,463	1,375	88
Costs for car rentals	1,299	1,343	(44)
Costs for utilities	934	784	150
Remuneration of the Board of Statutory Auditors	88	54	34
Other	3,043	3,076	(33)
Total costs for services	26,164	25,386	778

Costs for organising courses for temporary workers mainly refer to costs charged by training companies, for organising training activities carried out in favour of contract workers, in addition to additional charges. This includes costs incurred in favour of related parties, as described in greater detail in note 32. The costs borne by the organisational bodies mainly consist of services invoiced by independent expert. Against the precise and timely reporting of the costs incurred for the courses, Openjobmetis S.p.A. receives a specific refund by Forma.Temp and by other bodies.

The item marketing consultancy includes the costs incurred for commercial development projects in some geographical areas.

The item Fees to sources and professional advisors refers to costs incurred to promote the meeting with possible customers.

Rental expenditure is related both to costs incurred for the rentals of Branches located all over the country and for the rental of the operating office at Gallarate.

Costs for advertising and sponsorship refer to ads, to costs for the dissemination of the corporate image and to the contribution as the main sponsor of a sports club.

Non-recurring costs for services relate to due diligence activities for the year ended 31 December 2016, while for the year ended 31 December 2015 they relate:

- for EUR 1,570 thousand to costs incurred in connection with the listing on the on line stock exchange (MTA), and mainly include the costs incurred for the appointment of the sponsor and the arranger and the cost of advisors who oversaw the drafting of the prospectus, limited to the portion of costs related to the public offering (i.e. costs directly attributable to the latter and portion pro rata of the other listing costs, as a proportion to the number of shares related to the public offering, to the total number of shares of the initial public offering, including the greenshoe option);
- for EUR 654 thousand, to due diligence and legal services for the negotiation of the medium-term loan disbursed in June 2015.

Other costs mainly include costs incurred for insurance, information on customer solvency, the fees of the audit company, published notices and sundry rentals.

25. Other operating expenses

The item includes:

<i>(In thousands of EUR)</i>	2016	2015	Change
Other expenses	803	532	271
Total other operating expenses	803	532	271

Other expenses include expenses for stamps, membership fees, other taxes such as the waste tax and advertising, minor taxes and penalties, and capital losses on the disposal of assets.

26. Provisions and impairment losses on assets

The item includes the following entries:

<i>(In thousands of EUR)</i>	2016	2015	Change
Allowance for impairment	435	2,947	(2,512)
Provisions for risks	34	250	(216)
Total provisions and impairment	469	3,197	(2,728)

For more details on the impairment losses on receivables, reference is made to the Report on Operations and to Note 30 below.

27. Net financial income (expenses)

Net Financial income and expense are shown in the following table:

<i>(In thousands of EUR)</i>	2016	2015	Change
Banking interest income	65	46	19
Interest income on receivables from customers	92	64	28
Total financial income	157	110	47
Interest expense on loans	(851)	(1,060)	209
Interest expense on current accounts, factoring and bonds	(247)	(1,160)	913
Other interest expense	(508)	(1,110)	602
Total financial expense	(1,606)	(3,330)	1,724
Total financial income (expenses)	(1,449)	(3,220)	1,771

Other interest expense refers to regular payments of differentials on derivative contracts hedging the interest rate risks, and to the portion of costs attributable to each year deriving from the application of the amortised cost method to the outstanding loan in accordance with IAS 39.

28. Income taxes

Income taxes recognised in profit or loss are broken down as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
Current taxes	1,813	3,489	(1,676)
Deferred tax assets	2,342	(668)	3,010
Deferred tax liabilities	(7)	(100)	93
Allocation to tax reserve	600	0	600
Total Income taxes	4,748	2,721	2,027

Current taxes at 31 December 2016 totalling EUR 1,813 thousand refer to IRAP of EUR 739 thousand and to charges from the domestic tax consolidation scheme (IRES) of EUR 1,074 thousand.

Current taxes at 31 December 2015 totalling EUR 3,489 thousand refer to IRAP of EUR 549 thousand and to charges from the domestic tax consolidation scheme (IRES) of EUR 2,940 thousand.

In addition, the Group sets aside EUR 600 thousand for 2016 for risks relating to tax disputes; for further details, see Note 29.

The following table shows the items that reconcile the difference between the theoretical tax burden at Italian rate and the taxes actually charged to the year:

<i>(In thousands of EUR)</i>	2016	Rate	2015	Rate
Pre-tax profit (loss)	14,009		7,222	
Theoretical income taxes (a)	3,853	27.50%	1,986	27.50%
Tax effect of permanent differences including:				
- cars	205		213	
- telephony	56		46	
- prior year items and charges	52		38	
- board and lodging	31		34	
- other changes	31		(588)	
- ACE (Aiuto alla crescita economica, Aid to economic growth)	(490)		(215)	
- 10% IRAP deduction	(27)		(33)	
Subtotal (b)	(142)		(505)	
Adjustment to change in rate c)	(292)		708	
Income taxes recorded in the Financial Statements				
(current and deferred) excluding IRAP (a + b + c)	3,419	24.41%	2,189	30.32%
IRAP (current and deferred)	729	5.20%	532	7.36%
Income taxes recorded in the Financial Statements (current and deferred)	4,148	29.61%	2,721	37.68%
Tax from previous years (allocation to tax reserve)	600	4.28%	0	0%

It should be noted that for the three-year period 2016-2018, Openjobmetis S.p.A. and its subsidiaries Openjob Consulting S.r.l. and Seltis S.r.l. renewed the option for the domestic tax consolidation scheme pursuant to Articles 117/129 of the Consolidated income tax act, to which the subsidiary Corium S.r.l. was added for the three-year period 2014-2016, thus benefiting from the possibility of offsetting the taxable profit against tax losses in a single tax return. Unless revoked, the option is automatically renewed for the next three years at the end of the three-year period.

In line with the comments in Note 7, effective for the tax periods following the one that was current at 31.12.2016, IRES is commensurate with the total net income with the new rate of 24% instead of 27.5%.

29. Potential liabilities

The Group is a party to pending litigations and legal disputes. Based on the opinion of legal and tax advisors, the directors do not expect that the outcome of these ongoing actions will have a significant effect on the financial position of the Group, in addition to what was already allocated in the consolidated financial statements.

Specifically:

- In 2013, Openjobmetis S.p.A. received two tax assessment notices on 2007 and 2008 respectively; in 2014, it received a tax assessment notice on 2009, in September 2015 it received a tax assessment notice on 2010 and in December 2016 it received a tax assessment notice on 2011. All these notices were relating to the alleged non-deductibility of part of the financial expense. The possibility of further notices of assessment in relation to subsequent periods cannot be ruled out since similar assumptions can exist in the reconstruction carried out by the Italian tax authorities. On 23 September 2015, the Provincial Tax Commission of Milan issued the sentence on the aggregate appeals, filed against the relevant tax assessment notices for the years 2007 and 2008, and accepted only partially the objections filed. Non-deductible interest for 2007 was redefined. On 29 December 2015, the company submitted an appeal. On 4 November 2016, an unfavourable judgement was awarded to the company, confirming the outcome of the first instance proceedings. Openjobmetis S.p.A. subsequently received payment notices for a total of EUR 1,053 thousand, EUR 788 thousand of which was paid in 2015 and EUR 265 thousand in 2017.

In response to said second-instance ruling, Openjobmetis S.p.A. will, within the terms of the law, lodge an appeal before the Court of Cassation.

With regard to litigation for the years 2009 and 2010, the first-instance rulings were unfavourable for various reasons. During the first months of 2017, the relevant second-instance appeals were lodged and the Group is currently awaiting the notice of proceedings. Openjobmetis S.p.A. received payment notices for a total of EUR 549 thousand, which it paid in 2016.

With regard to litigation for 2011, Openjobmetis S.p.A. submitted a tax assessment settlement petition for which it is awaiting a response from the Inland Revenue Agency.

Based on the opinion of its legal advisor, the Group feels it has valid reasons in support of its actions. However, in consideration of the fact that the company's reasons may well

not be fully recognised, it has allocated an appropriate risk provision. This allocation is equivalent to around 20% of the estimated potential liability.

- The subsidiary Openjob Consulting S.r.l., at an event held in Perugia, underwent a tax inspection by the competent Local labour office that led to the preparation of a report which challenged violations concerning forms of contract used on this occasion with consequent possible administrative sanctions not yet notified. Openjob Consulting S.r.l. appealed against the report and this appeal was rejected. Based on the opinion of legal advisors, the Group deems to have appropriate arguments in its favour, and therefore the directors do not expect that the outcome of these ongoing actions will have a significant effect on the financial position of the Group, over and above what was already provided for in the consolidated financial statements.

30. Financial instruments

(a) Credit risk

- **Exposure to credit risk**

The carrying amount of the financial assets represents the Group's maximum exposure to credit risk. At the reporting date, this exposure is set below:

<i>(In thousands of EUR)</i>	2016	2015	Change
Held-to-maturity investments	16	34	(18)
Trade receivables	104,175	85,359	18,816
Cash and cash equivalents	8,810	22,412	(13,602)
Total	113,001	107,805	5,196

All the receivables refer to Italian customers.

There are no particular concentrations of receivables in specific sectors.

Exposure to the top 10 customers accounts for approximately 13% of total receivables in 2016 and 17% in 2015.

- **Impairment losses**

The ageing of trade receivables at the reporting date was as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
Falling due	85,094	67,987	17,107
Past due from 0 to 90 days	18,510	15,262	3,248
Past due from 91 to 360 days	1,162	2,463	(1,301)
Past due 360 days or more	3,481	9,261	(5,780)
Total trade receivables	108,247	94,973	13,274

The changes in the allowance for impairment of trade receivables during the years were as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
Opening balance	9,614	7,870	1,744
Impairment loss for the year	435	2,947	(2,512)
Uses made during the year	(5,977)	(1,203)	(4,774)
Balance as at 31 December	4,072	9,614	(5,542)

The Group sets aside an allowance for impairment that reflects the estimate of losses on trade receivables and on other receivables, whose main components are the individual impairment of significant exposures and collective impairment of homogeneous groups of assets against losses that have not yet been identified. The collective impairment is calculated on the basis of the time series of losses. The allowance for impairment mainly relates to receivables that have been outstanding for more than 360 days.

The impairment loss for the period refers to the allowance for impairment losses of trade receivables as described above.

The change in the value of loans past due beyond 360 days compared to 31 December 2015 and the utilization of the allowance for impairment in 2016 are mainly due to the impairment of a receivable from a major customer, as a result of it being declared non-collectible.

The Group did not recognise impairment losses on held-to-maturity investments in the course of the year.

The Group uses allowances for impairment to recognise the impairment losses on trade receivables and on held-to-maturity investments; however, when there is the certainty that the amount due cannot be recovered, the amount considered irrecoverable is written off directly from the related financial asset.

(b) Liquidity risk

The contractual maturities of financial liabilities, including interest to be paid and excluding the effects of the offsetting agreements, are shown in the following table:

Non-derivative financial liabilities		31 December 2016				
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	2 - 5 years	More than 5 years
<i>(In thousands of EUR)</i>						
Senior loan – Tranche A	(28,571)	(29,912)	(9,151)	(4,011)	(16,750)	0
ICCREA-BCC Loan	(3,000)	(3,031)	(1,011)	(1,010)	(1,010)	0
Non-guaranteed bank loans and borrowings	(17,887)	(17,887)	(17,887)	0	0	0
Finance lease liabilities	(72)	(82)	(6)	(7)	(69)	0
Trade payables	(8,224)	(8,224)	(8,224)	0	0	0
Other payables	(27,881)	(27,881)	(27,881)	0	0	0
Employee benefits *	(33,376)	(33,376)	(33,376)	0	0	0
Total	(119,011)	(120,393)	(97,536)	(5,028)	(17,829)	(0)

Non-derivative financial liabilities		31 December 2015				
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	2 - 5 years	More than 5 years
<i>(In thousands of EUR)</i>						
Senior loan – Tranche A	(34,337)	(37,502)	(3,468)	(3,431)	(30,603)	0
ICCREA-BCC Loan	(2,016)	(2,058)	(1,029)	(1,029)	0	0
Non-guaranteed bank loans and borrowings	(29,267)	(29,267)	(29,267)	0	0	0
Finance lease liabilities	(83)	(96)	(7)	(7)	(57)	(25)
Trade payables	(8,943)	(8,943)	(8,943)	0	0	0
Other payables	(23,372)	(23,372)	(23,372)	0	0	0
Employee benefits *	(27,459)	(27,459)	(27,459)	0	0	0
Total	(125,477)	(128,697)	(93,545)	(4,467)	(30,660)	(25)

* the item Employee benefits considers only short-term benefits that will be settled on average during the next year.

The cash flows included in the above-mentioned tables are not expected to occur significantly in advance or for considerably different amounts.

Please note that the contractual cash flows related to the Tranche B - Revolving of the senior loan outstanding as at 31 December 2016, unused to date, will have a maximum duration of six months.

Derivative financial liabilities		31 December 2016				
<i>(In thousands of EUR)</i>	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	2 - 5 years	More than 5 years
Derivative instruments	(51)	(51)	0	(51)	0	0
Total	(51)	(51)	0	(51)	0	0

Derivative financial liabilities		31 December 2015				
<i>(In thousands of EUR)</i>	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	2 - 5 years	More than 5 years
Derivative instruments	(248)	(248)	0	(248)	0	0
Total	(248)	(248)	0	(248)	0	0

- **Cash flow hedges**

The expected cash flows associated with cash flow hedging derivative financial instruments are exclusively related to interest rate swaps partially hedging the outstanding Senior Loan, shown in the previous tables.

(c) Interest rate risk

Floating rate financial liabilities are summarised below:

<i>(in thousands of EUR)</i>	2016	2015	Change
Non-guaranteed bank loans and borrowings	17,887	29,267	(11,380)
Tranche A Senior Loan	28,571	34,337	(5,766)
ICCREA-BCC Loan	3,000	2,016	984
Finance lease liabilities	72	83	(11)
Total financial liabilities	49,530	65,703	(16,173)

If the interest rates payable had increased by 1% at the reporting date, the equity and the net profit (loss) for the year would have been negatively affected, gross of the related tax effect, by an approximate amount of EUR 500 thousand. However, the potential effect of extreme circumstances that cannot be reasonably foreseen remains excluded.

Derivative contracts hedging the risk of interest rate change were put in place on part of the Senior Loan, which entails the application of an average fixed rate of approximately 3.0% for the hedged part.

The Group does not recognise any fixed-rate financial asset or liability designated at fair value through profit or loss and does not designate the derivative instruments (interest rate swaps) as hedging instruments using the fair value hedge method. Consequently, any changes in interest rates at the reporting date would have no effect on the profit or loss for the year, in addition to that indicated above.

(d) Fair value

- **Fair value and carrying amount**

The following table shows the carrying amount recorded in the statement of financial position and the fair value of each financial asset and liability:

<i>(In thousands of EUR)</i>	2016		2015	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Held-to-maturity investments	16	16	34	34
Trade receivables, other receivables and tax assets	110,572	110,572	92,130	92,130
Cash and cash equivalents	8,810	8,810	22,412	22,412
Finance lease liabilities	(72)	(72)	(83)	(83)
Tranche A Senior Loan	(28,571)	(28,571)	(34,337)	(34,337)
ICCREA-BCC Loan	(3,000)	(3,000)	(2,016)	(2,016)
Non-guaranteed bank loans and borrowings	(17,887)	(17,887)	(29,267)	(29,267)
Derivative instruments (IRS)	(51)	(51)	(248)	(248)
Trade payables, other payables and tax liabilities	(36,295)	(36,295)	(33,149)	(33,149)
Employee benefits	(33,376)	(33,376)	(27,459)	(27,459)
Total	146	146	(11,983)	(11,983)

- **Methods for determining the fair value**

The methods and main assumptions used for determining the fair value of the financial instruments are shown below:

- *Non-derivative financial liabilities*

Bank loans and borrowings and other financial liabilities bear interest at floating rate and therefore, also considering that they are indicated net of the related charges, significant differences between the carrying amount and fair value were not identified.

- *Derivative financial liabilities*

The fair value of Interest Rate Swaps is determined by using the prices of the financial intermediary with whom the contract was signed.

- *Trade and other receivables*

The fair value of trade receivables and of other receivables is estimated based on future cash flows discounted using market interest rates at the end of the reporting period. The fair value corresponds to the carrying amount as it already reflects the impairment.

Nota 13 provide information concerning the interest rates used for discounting the expected cash flows, where applicable, to the elements listed in the above table, being mainly used for calculating financial liabilities at amortised cost.

- *Fair value hierarchy*

The following table shows the financial instruments recognised at fair value based on the valuation technique used. The different levels were defined as follows:

Level 1: (unadjusted) prices quoted in identical asset or liability markets

Level 2: inputs other than quoted market prices defined in Level 1, which are observable for the asset or the liability, either directly (as in the case of prices), or indirectly (or derived from the prices)

Level 3: inputs relating to the asset or liability which are not based on observable market data (data not observable)

<i>(in thousands of EUR)</i>	31 December 2016	31 December 2015
Hedging IRS		
Level 1	0	0
Level 2	(51)	(248)
Level 3	0	0
Total	(51)	(248)

31. Operating leases

The Group, for the purposes of its business, makes use of several operating leases, especially for car rental and building lease. Normally, the duration of the lease is 4 years.

During the year ended 31 December 2016, costs of EUR 1,305 thousand (EUR 1,319 thousand in 2015) were recognised in profit or loss in relation to operating leases for cars.

To classify leases, reference made to the reference accounting principles.

Future minimum payments resulting from irrevocable leases are as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
Due within one year	881	940	(59)
From one to five years	965	970	(5)
Total	1,846	1,910	(64)

32. Related parties

Some members of the Board of Directors hold a position in other entities that involve the control or significant influence on the financial and management policies of such entities.

The relationships entertained between Group companies and of the Group with related parties, as identified on the basis of the criteria defined in IAS 24 - Related Party disclosures - are mainly trading in nature.

During the year, the Group carried out transactions with some of the above-mentioned entities as shown below. The general conditions governing these transactions were carried out in respect of and in line with normal market conditions.

In accordance with art. 2391-bis of the Italian Civil Code and the OPC Regulations containing provisions on related party transactions, the Board of Directors approved on 12 October 2015, and subsequently amended on 6 November 2015, the related party transactions policy and procedure. The total value of the transactions and residual balances is as follows:

Description	<i>(in thousands of EUR)</i>	Total 2016	Other related parties	Total related parties	% weight on financial statement items
1	Revenue	460,952	9	9	0.0%
2	Employee costs	28,012	1,942	1,942	6.2%
3	Costs for services	26,164	340	340	1.3%

Description	<i>(in thousands of EUR)</i>	Total 2015	Other related parties	Total related parties	% weight on financial statement items
1	Revenue	432,763	8	8	0.0%
2	Employee costs	27,705	1,942	1,942	6.4%
3	Costs for services	25,386	379	379	1.5%

Description	<i>(in thousands of EUR)</i>	Total 2016	Other related parties	Total related parties	% weight on financial statement items
1	Receivables	104,175	1	1	0.0%
2	Trade payables	8,224	49	49	0.6%

Description	<i>(in thousands of EUR)</i>	Total 2015	Other related parties	Total related parties	% weight on financial statement items
1	Receivables	85,359	1	1	0%
2	Trade payables	8,943	61	61	0.7%

In the opinion of the Related Parties Committee, from 2016 Timiopolis S.r.l. should no longer be considered a related party following the termination of Ivano Tognassi from the office of Director of Openjobmetis S.p.A.. In May 2016, Chairman Marco Vittorelli was appointed Chairman of Pallacanestro Varese S.p.A. and said entity was subsequently considered a related party in 2016: therefore, in view of the above-mentioned modifications, the previous year's amount was adjusted for comparability with the current year.

During 2016, the Group invoiced the amount of EUR 9 thousand (EUR 8 thousand in 2015) for the supply of staff to the company Pallacanestro Varese S.p.A.; this amount is shown as revenue. The receivable from Pallacanestro Varese S.p.A. amounts to EUR 1 thousand at 31 December 2016 (EUR 1 thousand at 31 December 2015). Costs for services equal to EUR 340 thousand in 2016 (EUR 379 thousand in 2015) relate mainly to sponsorship of this sports company for the 2015-2016 sporting season. The payable to Pallacanestro Varese S.p.A. amounts to EUR 49 thousand at 31 December 2016 (EUR 61 thousand at 31 December 2015).

As shown in Note 33 below, the item Personnel expense from Other related parties includes costs equal to EUR 1,286 thousand in 2016 (EUR 1,254 thousand in 2015) for the Board of Directors, EUR 455 thousand in 2016 (EUR 530 thousand in 2015) for Key management personnel and EUR 201 thousand in 2016 (EUR 138 thousand in 2015) for salaries paid to close relatives of the latter.

In the course of normal business, the Group has provided staff supply services to other related parties not shown in the table above because they are not significant and concluded under normal market conditions.

33. Remunerations of members of the Board of Directors, key management personnel and members of the Board of Statutory Auditors.

The general conditions that regulate the transactions with key management personnel and their related parties were not more favourable than those applied, or that could reasonably be applied, in the case of similar transactions with non-key management personnel associated with the same entities at normal market conditions.

The total remuneration of key management personnel, recorded in the item Personnel expense and costs for services, amounted to EUR 1,741 thousand, of which EUR 1,286 thousand for members of the Board of Directors and EUR 455 thousand for key management personnel (EUR 1,784 thousand in 2015, of which EUR 1,254 thousand for the members of the Board of Directors and EUR 530 thousand for key management personnel). In addition to salaries, the Group also offers certain key management personnel benefits in kind according to the ordinary contractual practice for company managers. Please note that, at the end of the reporting period, there are no other defined benefit plans following the termination of the employment relationship, loans or share-based payments made to those managers. It should also be noted that the remuneration to certain Directors is paid to Wise S.g.r. and Quaestio Capital Management

S.g.r. rather than to each beneficiary, according to an agreement between them and the aforesaid companies, for a total amount of EUR 185 thousand (EUR 130 thousand in 2015).

For more information regarding fees paid to said managers, reference is made to the 2016 Remuneration Report published in the “Corporate Governance” section of the parents website.

Fees paid to the Board Board of Statutory Auditors for 2016 amounted to EUR 88 thousand (EUR 54 thousand in 2015).

Total transactions and residual balances with said key management personnel and entities over which they exercise control or significant influence is as follows:

Remuneration <i>(in thousands of EUR)</i>	Remuneration for offices held	Non-monetary benefits	Bonuses and other incentives	Remuneration from subsidiaries of the Issuer	Total compensation
Members of the Board of Directors	1,011	None	175	100	1,286
Key management personnel	380	None	75	0	455
Total	1,391	None	250	100	1,741

Remuneration <i>(in thousands of EUR)</i>	Remuneration for offices held	Non-monetary benefits	Bonuses and other incentives	Remuneration from subsidiaries of the Issuer	Total compensation
Board of Statutory Auditors	88	None	0	0	88
Total	88	None	0	0	88

34. Compensation to the audit company

Type of services	Service provider	Recipient	Compensation and costs (in thousands of EUR)
Audit	KPMG SPA	Openjobmetis SpA	150
Voluntary audit	KPMG SPA	Openjob Consulting Srl	10
Voluntary audit	KPMG SPA	Seltis Srl	10
Total compensation for audit services			170
Financial, tax and employment due diligence	KPMG SPA	Openjobmetis SpA	51
Total			221

The Audit services for Openjobmetis S.p.A. include the legally required audit of the financial statements at 31 December 2016, the review of the interim consolidated financial statements as at and for the six months ended 30 June 2016.

35. Atypical and/or unusual transactions

The financial statements as at 31 December 2016 do not show any income components or capital and financial items, whether positive or negative, arising from atypical and/or unusual events and/or transactions.

36. Earnings (loss) per share

The calculation of earnings per share for the years ended 31 December 2016 and 31 December 2015 is shown in the following table and is based on the ratio of profit (loss) attributable to shareholders of the Company to the average number of issued outstanding shares.

(in thousands of EUR)	2016	2015
Profit (loss) for the year	9,261	4,501
Average number of shares*	13,712	10,958
Basic earnings (loss) per share (in EUR)	0.68	0.41
Diluted earnings (loss) per share (in EUR)	0.68	0.41

* The average number of shares is calculated as the weighted average of the shares actually issued in each year.

37. Subsequent events

During February 2017, the procedure to allocate bonus shares on the shares offered to employees during the IPO, was concluded.

Milan, 16 March 2017

For the Board of Directors

(signed on the original)

The Chairman

Marco Vittorelli

STATEMENT ON THE CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH ARTICLE 154-BIS OF LEGISLATIVE DECREE 58/98 AS AMENDED AND SUPPLEMENTED

1 We, the undersigned Rosario Rasizza, Managing Director, and Alessandro Esposti, Manager in charge of financial reporting responsible for preparing the financial reports of Openjobmetis S.p.A., hereby confirm, taking into account, *inter alia*, the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:

- the adequacy with respect to the characteristics of the business and
- the actual implementation of the administrative and accounting procedures for the preparation of the consolidated financial statements, as at and for the year ended 31 December 2016.

2 It should be noted, in this regard, that the adequacy of the administrative and accounting procedures used to prepare the consolidated financial statements as at and for the year ended 31 December 2016 was assessed on the basis of the assessment of the system of internal controls for the audit of the processes directly or indirectly connected with the preparation of the accounting and financial statements data.

3 Moreover we confirm that:

I. The consolidated financial statements as at 31 December 2016:

- accurately reflect the accounting books and records;
- have been prepared in accordance with the applicable international financial reporting standards endorsed by the European Union in compliance with Regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002 and the provisions adopted in implementation of Legislative Decree no. 38/2005;
- are suitable to provide a true and fair view of financial position, results of operations and cash flows of the issuer and all its consolidated companies.

II. The Report on Operations of the separate and consolidated financial statements includes a reliable analysis of the operating performance and results, as well as the situation of the issuer and all of its consolidated companies, the events that have occurred during the year and their impact on the consolidated financial statements, together with a description of the main risks and uncertainties to which the Group is exposed. The Report on Operations also contains information on significant transactions with related parties.

Milan, 16 March 2017

The Managing Director

(signed on the original)

Rosario Rasizza

The Manager in charge of financial reporting

(signed on the original)

Alessandro Esposti



KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI
Telefono +39 02 6763.1
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

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

Independent auditors' report pursuant to articles 14 and 16 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Openjobmetis S.p.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Openjobmetis Group (the "group"), which comprise the statement of financial position as at 31 December 2016, the statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The parent's directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Independent auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA Italia) promulgated pursuant to article 11 of Legislative decree no. 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.



Openjobmetis Group
Independent auditors' report
31 December 2016

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the group's financial position as at 31 December 2016 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Report on other legal and regulatory requirements

Opinion on the consistency of the directors' report and certain information presented in the report on corporate governance and ownership structure with the consolidated financial statements

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion, as required by the law, on the consistency of the directors' report and the information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98, which are the responsibility of the parent's directors, with the consolidated financial statements. In our opinion, the directors' report and the information presented in the report on corporate governance and ownership structure referred to above are consistent with the consolidated financial statements of Openjobmetis Group as at and for the year ended 31 December 2016.

Milan, 24 March 2017

KPMG S.p.A.

(signed on the original)

Giulio Capiaghi
Director of Audit

SEPARATE FINANCIAL STATEMENTS

Statement of Financial Position

Statement of Comprehensive Income

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements



Statement of Financial Position

<i>(In thousands of EUR)</i>	Notes	2016	2015
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,042	2,130
Intangible assets and goodwill	5	72,753	72,851
Equity investments in subsidiaries	6	1,566	1,454
Financial assets	7	14	34
Deferred tax assets	8	2,824	5,152
Total non-current assets		79,199	81,621
Current assets			
Cash and cash equivalents	9	6,411	20,021
Trade receivables	10	102,311	84,072
Other receivables	11	6,307	6,521
Current tax assets	12	316	388
Total current assets		115,345	111,002
Total assets		194,544	192,623
LIABILITIES AND EQUITY			
Non-current liabilities			
Financial liabilities	13	16,963	28,410
Employee benefits	14	726	781
Total non-current liabilities		17,689	29,191
Current liabilities			
Bank loans and borrowings and other financial liabilities	13	32,561	37,191
Derivative instruments	30-13	51	248
Trade payables	15	8,117	8,805
Employee benefits	14	33,235	27,291
Other payables	16	27,647	23,284
Current tax liabilities	17	154	834
Provisions for risks and charges	18	2,444	2,259
Total current liabilities		104,209	99,912
Total liabilities		121,898	129,103
EQUITY			
Share capital		13,712	13,712
Legal reserve		644	424
Share premium reserve		31,545	31,545
Other reserves		17,831	13,436
Profit (loss) for the year		8,914	4,403
Total equity	19	72,646	63,520
Total liabilities and equity		194,544	192,623

Statement of Comprehensive Income

<i>(In thousands of EUR)</i>	Notes	2016	2015
Revenue	20	455,991	428,491
Costs of contract work	22	(400,724)	(374,503)
First contribution margin		55,267	53,988
Other income	21	12,052	10,540
Personnel expense	22	(25,910)	(25,643)
Cost of raw materials and consumables	23	(218)	(221)
Costs for services	24	(27,093)	(25,852)
Amortisation/depreciation	4.5	(1,031)	(1,269)
Provisions and impairment losses	26	(459)	(3,110)
Other operating expenses	25	(758)	(515)
Operating profit (loss)		11,850	7,918
Financial income	27	2,245	1,693
Financial expense	27	(1,599)	(3,321)
Pre-tax profit (loss)		12,496	6,290
Income taxes	28	(3,582)	(1,887)
Profit (loss) for the year		8,914	4,403
Other comprehensive income (expense)			
Components that are or may subsequently be reclassified to profit/loss			
Effective portion of changes in fair value of cash flow hedges		196	308
Components that will not be reclassified to profit/loss			
Actuarial gain (loss) from IAS 19 post-employment benefit valuation		15	(17)
Taxes on other comprehensive income (expense)		0	0
Total other comprehensive income (expense) for the year		211	291
Total comprehensive income (expense) for the year		9,125	4,694

Statement of Changes in Equity

(In thousands of EUR)

	Note	Share capital	Legal reserve	Share premium reserve	Other reserves	Hedging reserve and actuarial reserve	Profit (loss) for the year	Equity
Balance as at 31.12.2013	19	10,637	346	16,814	14,651	(823)	(2,350)	39,275
Allocation of profit (loss) for the year					(2,350)		2,350	0
Effective portion of changes in fair value of cash flow hedges	19					280		280
Actuarial gain (loss) from IAS 19 post-employment benefit valuation						(87)		(87)
Profit (loss) for the year	19						1,551	1,551
Rounding reserve						1		1
Total comprehensive income (expense) for the year	19					194	1,551	1,745
Balance as at 31.12.2014	19	10,637	346	16,814	12,301	(629)	1,551	41,020
Allocation of profit (loss) for the year			78		1,473		(1,551)	0
Effective portion of changes in fair value of cash flow hedges	19					308		308
Actuarial gain (loss) from IAS 19 post-employment benefit valuation						(17)		(17)
Profit (loss) for the year	19						4,403	4,403
Rounding reserve				(1)				(1)
Total comprehensive income (expense) for the year	19					291	4,403	4,693
Bond conversion		175		700				875
Share capital increase		2,900		14,032				16,932
Total contributions and distributions	19	3,075		14,732				17,807
Balance as at 31.12.2015	19	13,712	424	31,545	13,774	(338)	4,403	63,520
Allocation of profit (loss) for the year			220		4,183		(4,403)	0
Effective portion of changes in fair value of cash flow hedges	19					196		196
Actuarial gain (loss) from IAS 19 post-employment benefit valuation						15		15
Profit (loss) for the year	19						8,914	8,914
Rounding reserve					1			1
Total comprehensive income (expense) for the year	19				1	211	8,914	9,126
Balance as at 31.12.2016	19	13,712	644	31,545	17,958	(127)	8,914	72,646

Statement of Cash Flows

<i>(In thousands of EUR)</i>	Note	2016	2015
Cash flows from operating activities			
Profit (loss) for the year	19	8,914	4,403
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	4	525	491
Amortisation of intangible assets	5	506	778
Capital losses (gains) on sales of property, plant and equipment		34	(28)
Net decreases of intangible assets		0	0
Impairment loss on trade receivables	10, 26	425	2,940
Current and deferred taxes	28	3,582	1,887
Net financial expense	27	(646)	1,628
Listing costs recognised in profit or loss	24	0	1,570
Cash flows before changes in working capital and in provisions		13,340	13,669
Change in trade and other receivables	10.11	(18,450)	(6,456)
Change in trade and other payables	15.16	3,675	4,434
Change in employee benefits	14	5,904	1,416
Change in current and deferred tax assets and liabilities	7	525	774
Change in provisions	18	185	48
Paid income taxes		(2,387)	(3,755)
Cash and cash equivalents generated/(absorbed) by operating activities (a)		2,792	10,130
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(537)	(565)
Proceeds from sales of property, plant and equipment		66	30
Other net increases in intangible assets	5	(408)	(185)
Change in other financial assets	6	20	48
Cash and cash equivalents generated/(absorbed) by investing activities (b)		(859)	(672)
Interest paid		(1,365)	(2,671)
Interest and dividends received	27	2,245	1,693
Repayment of previous loan	13	0	(32,200)
Repayment of loan instalments	13	(8,016)	0
New loan disbursement	13	3,000	38,000
Fee payments related to financial liabilities	13	0	(785)
Payment to cover losses of Corium	6	(112)	(50)
Change in short-term bank loans and repayment of loan instalments		(11,295)	(10,030)
Change in payables to bondholders	13	0	(293)
Proceeds from listing net of costs	19, 24	0	15,362
Cash and cash equivalents generated/(absorbed) by financing activities (c)		(15,543)	9,026
Other changes (d)		0	0
Cash flow for the year (a) + (b) + (c) + (d)		(13,610)	18,484
Net cash and cash equivalents as at 1 January	9	20,021	1,537
Net cash and cash equivalents as at 31 December	9	6,411	20,021

Notes to the Financial Statements

General information

Openjobmetis S.p.A. (hereinafter also the “Company”) is based in Italy, Via G. Fara 35, Milan.

The company operates in the sector of contract work i.e. the professional recruitment service of open-ended or temporary labour, pursuant to Article 20 of Italian Legislative Decree no. 276/2003 as amended and supplemented, in accordance with Article 4, paragraph 1, letter 9 of the same Italian Legislative Decree.

In accordance with article 2497-bis of the Italian Civil Code, the Parent is not subject to the management and coordination of other corporate structures, as all business decisions are taken independently by the Board of Directors and the key management personnel of Openjobmetis S.p.A.

As from 3 December 2015, the company Openjobmetis S.p.A. is listed on the STAR segment of the on line stock exchange (MTA) organised and operated by Borsa Italiana S.p.A..

To date, the company is not a subsidiary by law in accordance with article 93 of the Consolidated Law on Finance (TUF).

1. Accounting standards and basis of presentation adopted in preparing the financial statements

1. (a) Accounting standards and statement of compliance

The financial statements as at and for the year ended 31 December 2016 have been prepared in compliance with the International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and the interpretations thereof. The consolidated financial statements contain the statement of financial position, the statement of comprehensive income, the statement of cash flows, the statement of changes in shareholders' equity and the relevant explanatory notes.

In preparing these financial statements, the following formats, selected from the various options allowed by IAS 1, were used:

- the statement of financial position was prepared by classifying the values according to the format of current/non-current assets/liabilities;
- the statement of comprehensive income was prepared by classifying the values by nature;

- the statement of cash flows was prepared using the indirect method;

The purpose of the notes is to illustrate the preparation criteria adopted and to provide the information required by IAS/IFRS and not contained in other parts of the financial statements, as well as any additional information that is not shown in the financial statements but is necessary for a reliable representation of the Group's activities.

The financial statements were prepared on the basis of the accounting records as at 31 December 2016 on a going concern basis. Please refer to the Report on Operations as at 31 December 2016 for comments on the activities carried out in the year ended 31 December 2016, information on risks and uncertainties, outlook, information on the staff and the environment, and subsequent events.

The financial statements and related notes were prepared with amounts rounded to the nearest thousand euro, the Company's financial currency. Moreover, for clarity of reading, the mandatory items pursuant to IAS 1 with zero balances were omitted in the formats and tables, in both periods presented for comparison.

In the preparation of these financial statements, the same accounting policies and preparation criteria were applied as were used in the preparation of the consolidated financial statements as at 31 December 2015

The most important accounting policies standards and valuation criteria used by the Company to prepare the financial statements are described below.

2. Significant accounting policies

(a) General

The accounting policies described below were applied consistently in the years to which financial statements refer.

The financial statements were prepared using the measurement basis at cost except for financial statement items that according to IAS/IFRS are compulsorily recognised at fair value (financial assets and liabilities) as indicated in the accounting policies shown below.

While preparing the financial statements, company management had to formulate valuations, estimates and assumptions that affect the application of the accounting policies and the amounts of assets, liabilities, costs and revenue recognised in the financial statements; however, it should be noted that, since these are estimates, the results achieved will not necessarily be the same results shown in the financial statements.

These estimates and assumptions are regularly revised; any changes resulting from the revision of accounting estimates are recognised in the year in which the revision is carried out and in the future years.

In particular, information on the areas of greater uncertainty in the formulation of estimates and valuations during the process of application of IAS/IFRS that have a significant effect on the amounts recognised in the financial statements together with aspects of particular significance are provided below:

- *Impairment test on goodwill*

Goodwill is subject to impairment tests at least annually or more often if there are indicators of an impairment loss.

Impairment testing is carried out using the discounted cash flow method: this method is highly sensitive to the assumptions contained in the estimate of future cash flows and interest rates used.

For this assessment, the Company uses plans approved by the administrative body and financial parameters in line with those resulting from the current performance of the reference markets.

Details regarding the procedures for preparing the goodwill impairment test are provided in Note 5.

- *Measurement of receivables*

The Company sets aside an allowance for impairment that reflects the estimate of losses on trade receivables, whose main components are the individual impairment losses on significant exposures and collective impairment losses on homogeneous groups of assets against losses that have not yet been identified. The collective impairment losses is calculated on the basis of the time series of losses. When there is certainty that it will not be possible to recover the amount due, the amount considered irrecoverable is deducted directly from the related financial asset.

The above requires the management to make significant estimates with regard to general economic conditions and any possible negative trends in the credit markets that could negatively impact customer relations.

- *Provisions for risks and charges*

The Company is a party to certain proceedings, arising from the conduct of business and from events of a civil and tax nature involving the companies.

In addition, in view of the sector in which they operate, they are exposed to the risk of being involved in legal and/or arbitration proceedings on labour law nature, both with reference to contract workers and to the organisational structure of the Company and in relation to contracts with independent collaborators.

In the event that it is considered probable that as a result of the dispute a disbursement of resources - the amount of which can be reliably estimated - will be required, this amount, discounted to take account of the time horizon along which the disbursement will take place, is included in the provisions for risks. Disputes for which the occurrence of a liability is considered only possible but not probable are indicated in the relevant disclosure section on commitments and risks and, as a result, no appropriations are made with respect thereto.

Assessing the development of such disputes can be complicated and requires the management to make significant estimates.

(b) Equity investments in subsidiaries

The value of equity investments in the financial statements is determined on the basis of the purchase or subscription price, including directly attributable incidental expenses, net of impairment losses.

(c) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency using the exchange rate in effect on the transaction date. Monetary items in foreign currency at the end of the reporting period are retranslated into the functional currency using the exchange rate at the same date. Exchange rate gains and losses of a monetary item are represented by the difference between the amortised cost in the functional currency at the beginning of the reporting period, adjusted to reflect the effective interest and the payments for the year, and the amortised cost in foreign currency translated at the exchange rate recognised at the end of the reporting period. Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates in force on the date the fair value was determined. Exchange rate differences deriving from the translation are recognised in profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents include cash balances and sight deposits and are recognised at their nominal amount, which corresponds to their fair value.

(e) Non-derivative financial instruments

Non-derivative financial instruments include investments in equities and debt instruments, trade and other receivables, financial liabilities, trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus - for instruments not measured at fair value through profit or loss - any directly attributable transaction costs. After initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised when the Company is “party” to the instrument’s contractual terms. A financial asset is derecognised when the Company’s contractual rights to the cash flows arising from the financial assets expire or the Company transfers the financial asset to third parties without retaining control or substantially all risks and benefits inherent to ownership of the financial asset. A purchase or sale of financial assets is recognised on the date it is traded, i.e., the date on which the Company undertakes to purchase or sell the asset. A financial liability is considered discharged when the Company’s obligations specified in the contract are fulfilled, derecognised or discharged.

Note 27 describes the accounting treatment of financial income and expense.

Non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other receivables

Receivables from customers and other receivables, whose due date falls within normal current commercial terms, are initially recorded at fair value, which generally corresponds to their nominal amount, and subsequently measured at amortised cost net of any impairment losses identified. The impairment test of receivables is based on the present value of expected cash flows.

Loans and borrowings

Advance accounts and loans and borrowings are initially recognised at the fair value of the amount received, net of directly attributable additional charges. Subsequently, they are measured at amortised cost using the effective interest rate method. They are classified as current liabilities or non-current liabilities according to their settlement date.

Trade payables and other payables

Trade payables and other payables, the due date of which falls within normal current commercial terms, are initially recognised at fair value and subsequently recorded at amortised cost.

(f) Derivative financial instruments

The Company uses derivative financial instruments to hedge its exposure to risks of changes in interest rates. Derivatives are initially recognised at fair value; attributable transaction costs are recognised in profit or loss when incurred. After initial recognition, derivatives are measured at fair value. Their changes are accounted for as described below. At the initial designation of the hedge, the Company documents the relationship between the hedging instruments and the hedged item, including risk management objectives, strategy for undertaking the hedge, along with the methods that will be used to assess the effectiveness of the hedging instrument. Both at the beginning of the hedge and during its period of validity, the Company assesses whether the hedge is expected to be highly effective in offsetting the changes in fair value or cash flows attributable to their hedged items during the period for which the hedge is designated and if the actual results of each hedging range from 80% to 125%. In cash flow hedging transactions of a forecast transaction, the transaction must have a high probability of occurring and must present an exposure to changes in cash flows that could have an effect on profit or loss.

Cash flow hedges

Changes in the fair value of the instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. For the ineffective portion, changes in fair value are recognised in profit or loss.

Hedge accounting, as indicated above, is discontinued prospectively if the instrument designated as a hedge no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised. The gain or loss is kept in equity until the envisaged transaction occurs. When the

hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount at the time at which it is recognised. In other cases, the amount recognised in equity is transferred to profit or loss in the same year in which the hedged item affects profit or loss.

(g) Property, plant and equipment

An item of property, plant and equipment is measured at cost less accumulated depreciation and impairment losses.

The historical cost includes any costs directly attributable to the acquisition of the asset.

If significant components have different useful lives, these components are recorded separately.

The cost of an asset produced on a time and materials basis includes the cost of materials used and of direct labour as well as other directly attributable costs for taking the asset to the location and under the conditions required for working as intended by company management. Costs incurred after initial recognition of an item of property, plant and equipment are added to the carrying amount of the asset to which they refer if it is probable that the related future benefits will flow to the Company if the cost of the item can be reliably measured. Ordinary maintenance costs of property, plant and equipment are recognised in profit or loss during the year in which they are incurred.

The gains and losses generated by the sale of any property, plant or equipment are determined as the difference between the net proceeds on the sale and the carrying amount of the asset, and are recognised in profit or loss at the time of the disposal.

Depreciation is charged to the income statement on a straight-line basis over the expected useful life of each item of property, plant and equipment estimated by the Company, which is reviewed every year and changes, where necessary, are applied prospectively.

The estimated useful lives in the years under review are as follows:

Asset	Depreciation
Property	33.3 years
Telephone systems	4 years
Electric installations	6.6 years
Furniture and fixtures	8.3 years
Electronic office machines	5 years
Signs	6.6 years
Sundry equipment	6.6 years
Motor vehicles	4 years
Alarm systems	3.3 years

Leasehold improvements are depreciated in the shorter period of time between the useful life and the term of the contract to which they refer.

Leased assets

At the beginning of an agreement, the Company checks whether the agreement is or contains a lease. At the beginning of the agreement or upon revising it, the Company separates the lease payments and the other considerations required by the agreement classifying them as payments for the lease and payments for other elements on the basis of their fair values. If, in case of a finance lease, the Company concludes that splitting the lease payments reliably is not feasible, an asset and a liability of an amount equal to the fair value of the underlying asset is recognised. Subsequently, the liability is reduced as payments are made and a financial cost is recognised on the liability using the Company's incremental borrowing rate of interest.

Lease agreements that substantially transfer all the risks and benefits deriving from the ownership of the asset are classified as finance leases. Assets used by the Company which were acquired under finance leases are recognised at fair value of the leased asset or, if lower, at the present value of the minimum payments due for the lease. After initial recognition, the asset is measured in accordance with the accounting standard applicable to property, plant and equipment. Leased assets are depreciated in the shorter period of time between the term of the lease and its useful life, unless it is reasonably certain that the Company will acquire its ownership at the end of the lease. Land is not depreciated.

Other leased assets fall within operating leases and are not recognised in the Company's statement of financial position; the cost is recognised on a straight-line basis over the lease term.

The payments relating to operating leases are recognised as costs on a straight-line basis over the lease term. The incentives granted to the lessee are recognised as an integral part of the total cost

of the lease over the lease term. The minimum payments due for finance leases are divided between interest expense and reduction of the residual liability. Interest expense is spread over the duration of the lease agreement so as to obtain a constant interest rate on the residual liability.

(H) Intangible assets and goodwill

(h.1) Goodwill

Goodwill is recognised at cost, net of accumulated impairment losses, calculated as indicated below.

Goodwill is tested for impairment based on expected future cash flows on an annual basis or more frequently if events or changes in circumstances that may give rise to any impairment losses occur. The impairment loss is not reversed if the reasons that generated it no longer exist.

(h.2) Customer relations

The value of customer relations was recorded based on the fair value identified on 30 June 2007, the business combination date between Wm S.r.l. and the former Openjob S.p.A.. The historical cost increased due to the acquisition of the business unit of the company “J.O.B. S.p.A.” in 2009, the business combination with “Metis S.p.A” in 2011 and, lastly, the acquisition of the “Noi per Voi S.r.l” customer database on 1 July 2016. The value of customer relations was amortised based on the economic useful life estimated by the appraisals prepared by independent expert: 7.5 years for the business combination between “Wm S.r.l.” and the former “Openjob S.p.A.” and the acquisition of the business unit of “J.O.B. S.p.A.”, and 4.5 years for the business combination with Metis S.p.A, and, lastly, 4.5 years for the purchase of the “Noi per Voi S.r.l.” Customer Database.

(h.3) Other intangible assets

Other intangible assets acquired by the Company, which have a finite useful life, are stated at cost, less accumulated amortisation and accumulated impairment losses and mainly include the software purchased from third parties and amortised over 3 years and the Databook software developed internally, in use from 2017 and amortised over 5 years.

(i) Impairment losses

(i.1) Financial assets

A financial asset is impaired if there is any objective evidence that one or more events have had a negative effect on the expected estimated cash flows of that asset.

An impairment loss on a financial asset measured at amortised cost is the difference between the carrying amount and the present value of the estimated cash flows, discounted at the original effective interest rate. An impairment loss on an available-for-sale financial asset is calculated based on the current fair value of the asset.

Individually significant financial assets are tested separately to determine whether they have been impaired. The other financial assets are tested collectively for groups with similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any accumulated impairment loss on an available-for-sale financial asset previously recognised in equity is transferred to profit or loss.

Impairment losses are reversed if the subsequent increase in value can be objectively related to an event that occurred after the impairment. In the case of financial assets measured at amortised cost and available-for-sale financial assets corresponding to debt securities, the reversal is recognised in profit or loss. In the case of available-for-sale financial assets represented by equities, the reversal is recognised directly in equity.

(i.2) Non-financial assets

At the end of each reporting period, the Company tests the carrying amounts of its financial assets for impairment. If this test shows that the assets have actually been impaired, the Company estimates their recoverable amount. The recoverable amount of goodwill and of the intangible assets that are not yet available for use is estimated at each reporting date.

When the carrying amount of an asset or of a cash-generating unit exceeds its recoverable amount, the Company recognises the related impairment loss. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognised in profit or loss. Impairment losses of cash-generating units are charged first of all as a reduction of the carrying amount of the goodwill assigned to the cash-generating unit and, secondly, as a reduction of the other assets of the unit (group of units) proportionally to the carrying amount.

The recoverable amount of an asset or of a cash-generating unit is the higher of its value in use and its fair value less costs to sell. In order to calculate the value in use, the estimated expected cash flows are discounted by using a discount rate that reflects the current market evaluations of the time value of money and of the asset's specific risks.

Impairment losses of goodwill cannot be reversed. In the case of other assets, at each reporting date, impairment losses recognised in previous years are measured in order to recognise the existence of any indication suggesting the possible reduction or non-existence of the loss. The impairment of an asset is reversed when a change occurs in the valuations used for calculating the recoverable amount. The carrying amount resulting after the reversal of the impairment loss must not exceed the carrying amount that would have been determined (net of amortisation) if the impairment loss on the asset had never been recorded.

(j) Taxes

Taxes for the year include current taxes and deferred taxes. Income taxes are recognised in profit or loss, except those related to transactions recognised directly in equity.

Current taxes represent the estimate of the amount of the income taxes due, calculated on the taxable profit for the year, determined by applying the tax rates in force or essentially in force at the end of the reporting period and any adjustment to the amount related to the previous years.

Deferred taxes are allocated in compliance with the equity method, calculating the temporary differences between the carrying amounts of assets and liabilities recorded in the financial statements and the corresponding values recognised for tax purposes. Deferred taxes are not allocated for the following temporary differences: initial recognition of goodwill, initial recognition of assets or liabilities in a transaction other than a business combination that does not affect the accounting profit or the taxable profit, as well as in the case of differences relating to investments in subsidiaries and companies subject to joint control for which it is possible to control the cancellation time and it is likely that in the foreseeable future the temporary difference will not be reversed.

Deferred tax assets and liabilities are measured using the tax rates that are expected to be applicable in the year in which the asset or the liability to which they refer will be realised or discharged, respectively, on the basis of tax rates established by the measures in force or essentially in force at the reporting date.

Deferred tax assets are recognised to the extent that a future taxable profit against which these assets can be used may be available. 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 the related tax benefit will be achieved.

Additional income taxes resulting from the distribution of dividends are accounted for when the liability for the dividend payment is recognised. There are no reserves that will be taxed when distributed.

(k) Provisions for risks and charges

The Company recognises a provision when it has reliably a (legal or constructive) obligation, as a result of a past event, and the amount can be estimated, and it is also likely that the utilisation of resources that can produce economic benefits will be necessary to fulfil the obligation. The amount of the provision is represented by the present value of expected estimated cash flows discounted at a pre-tax rate that reflects current market evaluations of the present value of money and the risks specific to the liability.

The Company recognises a provision for restructuring when the detailed and formal programme for restructuring has been approved and the restructuring has either started or publicly announced. No provisions have been set aside for future operating costs.

(l) Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as a cost in profit or loss in the year in which they are incurred. Contributions paid in advance are recognised under Assets to the extent that the advance payment will result in a reduction of future payments or a refund.

Defined benefit plans

The Company's net liability arising from defined benefit plans is calculated separately for each plan by estimating the amount of the future benefit that the employees have accrued in exchange for their services carried out in the current year and in prior years; this benefit is discounted and the fair value of plan assets are deducted from the liabilities.

The calculation is carried out by an independent actuary using the projected unit credit method. If the calculation generates a benefit for the Company, the amount of the asset recognised is limited to the present value of the economic benefits available in the form of repayments from the plan or of reductions in future contributions of the plan. In order to determine the present value of the financial benefits, minimum funding requirements that apply to any plan of the Company are considered.

Actuarial gains and losses, returns on plan assets (excluding interest) and the effect of the ceiling of the asset (excluding any interest) that arise as a result of revaluations of the net liability for defined benefit plans are immediately recognised in other comprehensive income (expense). Net interests for the year on the net liability/(asset) for defined benefits are calculated by applying to the net liability/(asset) the discount rate used for discounting the defined-benefit obligation, calculated at the beginning of the year, considering any changes in the net liability/(asset) for defined benefits occurred during the year following the payment of contributions and benefits. Net interest and other costs relating to defined benefit plans are recognised in the profit (loss) for the year.

When changes are made to the benefits of a plan or when the plan is curtailed, the portion of the economic benefit related to past services or the profit or loss deriving from the curtailment of the plan are recognised in profit (loss) for the year when the adjustment or the reduction occurs.

The post-employment benefits due to the employees pursuant to Article 2120 of the Italian Civil Code fall within defined benefit pension plans, plans based on the working life of employees and on the remuneration received by the employee during a previously established service period.

In particular, the liability for post-employment benefits is recorded in the financial statements based on its actuarial value, as it qualifies as an employee benefit payable under a defined benefit plan. Recognition in the financial statements of the defined benefit plans requires estimating with actuarial techniques the amount of employee benefits accrued in exchange for the work carried out in the current and prior years and discounting these benefits in order to determine the present value of the Company's commitments.

Italian law no. 296 of 27 December 2006 (2007 Finance Act) introduced new rules for post-employment benefits accruing from 1 January 2007.

Following the supplementary pension reform:

- the portions of post-employment benefits accrued up until 31 December 2006 remain in the company;

- the portions of post-employment benefits accruing since 1 January 2007 must, at the employee's option, according to explicit or tacit acceptance:

- a) be allocated to supplementary retirement plans;
- b) be held within the company, which will transfer the portions of post-employment benefits to the treasury fund managed by INPS (the Italian Social Security Institution).

In both cases, the portions of post-employment benefits accrued after 1 January 2007 (or on the date the choice is made in the case of allocation to supplementary retirement plans) are considered as a defined contribution plan.

The 2007 Finance Act did not involve any amendment in the accrued post-employment benefits as at 31 December 2006, which therefore falls within the defined benefit pension plans. Moreover, as a result of the new regulations introduced by the 2007 Finance Act, the post-employment benefits "accrued" before 1 January 2007 (or on the date the choice is made in the case of allocation to supplementary retirement plans) undergo a significant change in calculation since the actuarial assumptions previously linked to salary increases no longer exist. More specifically, the liability related to the "accrued post-employment benefits" is measured using actuarial techniques as at 1 January 2007 (or on the date the choice is made in the case of allocation to supplementary retirement plans) without applying the pro-rata (years of service already rendered/total years of service), in that the employee benefits up until 31 December 2006 (or on the date the choice is made in the case of allocation to supplementary retirement plans) can be considered almost entirely accrued (with the sole exception of revaluation). It follows that, for the purposes of this calculation, "current service costs" related to future employee work must be considered null in that they are represented by payments of contributions to supplementary benefit funds or to the INPS treasury fund.

Short-term benefits

Short-term employee benefits are recognised as a cost on an undiscounted basis when the service giving rise to such benefits is supplied.

The Company recognises a liability for the amount expected to be paid in the form of profit sharing and incentive schemes when it has an actual, legal or constructive obligation to make such payments as a result of past events and the obligation can be reliably estimated.

Long-term employee benefits

The Company's net liability as a result of long-term employee benefits corresponds to the amount of the future benefit that the employees have earned for work done in the current year and in previous years. This benefit is discounted. Revaluations are recognised in profit (loss) for the year when they emerge.

Benefits due to employees for termination of employment

The benefits due to employees for termination of employment are recognised as an expense when the Company has committed without possibility of withdrawal to provide such benefits, or when the Company recognises restructuring costs, whichever is earlier. Benefits that are entirely payable more than twelve months after the end of the year are discounted.

Share-Based Payments

The fair value on the date of allocation of the granted options is recognised in personnel expense, with a corresponding increase in equity, over the period during which employees obtain the unconditional right of option. The amount recognised as a cost is adjusted to reflect the actual number of share option rights to be received by right.

The fair value of the amount payable to employees with regard to the rights of share revaluation, settled in cash, is recognised as a cost with a corresponding increase in liabilities over the period during which employees become entitled to the unconditional right to receive the payment. The liability is measured at the end of each reporting period and at the settlement date. Any changes in the fair value of the liability are recognised in profit or loss as personnel expense.

For financial year 2016, as for the previous year, there are no share-based payment plans in place.

(m) Revenue

Revenue from services rendered is recognised in profit or loss based on the progress of the service at the reporting date. The progress is measured on the basis of work measurements. With reference to the supply of temporary work, this measurement is related to the physical presence of the worker at the customer's company.

Revenue is recognised when the recoverability of the consideration is probable and the costs of providing the service can be reliably estimated.

(n) Grants

Capital contributions and grants related to income are recognised when there is a reasonable certainty that the Company will meet the conditions for obtaining the grants and that the grants will be received. Capital contributions are recorded in the statement of financial position as deferred revenue under “Other payables” and systematically recognised in profit or loss against depreciation of the assets for which the grant was received. Grants related to income are recognised in profit or loss under the item “Other income”.

(o) Financial income and expense

Financial income includes interest income on invested cash, dividends, income from the sale of available-for-sale financial assets, changes in fair value of financial assets recognised through profit or loss, exchange rate gains and gains on hedging instruments through profit or loss. Interest income is recognised in profit or loss on an accruals basis using the effective interest method. Dividends are recognised when the Company’s right to receive payment is established.

Financial expense includes interest expense on loans and finance leases, exchange rate losses, changes in fair value of financial assets designated at fair value through profit or loss, impairment losses of financial assets and losses on hedging instruments recognised in profit or loss. Costs related to loans and finance leases are recognised in profit or loss using the effective interest method.

(p) Payments relating to leases

Operating lease payables are recognised as a cost throughout the period of validity of the agreements and on an accruals basis of the lease payments envisaged in them.

The minimum payments due for finance leases are divided between interest expense and reduction in the residual payable. Interest expense is spread over the duration of the lease agreement so as to obtain a constant interest rate on the residual liability. Contingent lease payments are accounted for by revising the minimum payments due over the residual duration of the lease when the lease adjustment is notified.

(q) New standards published but not yet adopted

Several new standards or amendments to the standards and interpretations have been endorsed by the European Union and the relevant application is mandatory for years beginning after 1

January 2016; these standards have not been adopted in the preparation of these financial statements. Standards that could have an impact on the Company are indicated below. The Company does not intend to adopt these standards in advance.

IFRS 9 Financial instruments

Published in July 2014, IFRS 9 replaces IAS 39 Financial Instruments: recognition and measurement. IFRS 9 introduces new provisions for the classification and measurement of financial instruments, including a new model for expected losses for the purposes of calculating impairment losses on financial assets, and new general provisions for the operations of hedge accounting. It also includes provisions for the recognition and derecognition of financial instruments in line with current IAS 39.

IFRS 9 is effective for years beginning on or after 1 January 2018. Early application is permitted. The Company is considering the potential impact of IFRS 9 on the financial statements.

The main impacts expected for companies that are not financial institutions concern:

- investments in debt and equity instruments: classification/measurement and valuation;
- financial assets (including trade receivables): measurement methods, including with reference to factoring transactions;
- hedge accounting: hedge accounting model;
- disclosures: more detailed disclosures and hedge accounting application.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 redefines the methods for collecting revenue from customer contracts. The standard replaces the recognition criteria set out in IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for years beginning on or after 1 January 2018. Early application is permitted. The Company is considering the potential impact of IFRS 15 on the financial statements.

The main impacts expected for service companies as a result of the application of this standard concern:

- contracts that contain multiple goods/services: criteria for separation and allocation of contractual amounts;
- long-term contracts: timeframe for recognising revenue;

- variable amounts: including discounts, bonuses, incentives and related aspects;
- costs for obtaining or executing a contract: accounting for costs of this type;
- disclosures: more detailed disclosures in both qualitative and quantitative terms.

Some standards or modifications of existing standards and interpretations are still undergoing approval. These include, in particular, IFRS 16 - Leasing which significantly amends the accounting treatment for leases in the financial statements of lessees.

(r) Financial risk management

The Company is exposed to the following risks arising from the use of financial instruments:

- credit risk;
- liquidity risk;
- interest rate risk.

This section provides information on the Company's exposure to each of the above risks, the objectives, policies and processes for managing those risks and the methods used to measure them, as well as the management of the Company's capital.

The Board of Directors of Openjobmetis S.p.A. is responsible for creating and supervising the Company's risk management system.

The purpose of the Company's risk management policies is to identify and analyse the risks to which it is exposed, establish proper limits and control and monitor the risks and the observance of such limits. These policies and related systems are revised regularly in order to reflect any changes in market conditions and the Company's activities. Through training, standards and management procedures, the Company aims to create a regulated and constructive control environment in which its employees are aware of their roles and responsibilities.

(i) Credit risk

The credit risk is the risk that a customer or counterparty to a financial instrument will cause a financial loss by failing to discharge an obligation, and mainly arises from the Company's trade receivables.

The Company's exposure to credit risk mainly depends on the specific characteristics of each customer. The Company's customer portfolio consists of a large number of customers, and does

not show significant levels of concentration vis-à-vis few customers. The main type of customer consists of medium-small sized companies, operating in almost all sectors. There is no strong geographic concentration of credit; part of it is mainly located in the regions of central and northern Italy.

Before supplying temporary workers, a proper evaluation procedure is carried out envisaging that the creditworthiness of each new customer must be analysed individually before offering the standard conditions in terms of payment and supply. This analysis also includes external assessments, where available, and, in some cases, assessment of banking information.

Supply limits, representing the maximum credit line beyond which the direct approval of the Management is required, are established for each customer.

Overall, the amount due from customers mainly consists of the total expense of the contract worker's remuneration, which includes in addition to the elements of normal remuneration as per the National Labour Agreement of reference, also remuneration accrued but not paid (thirteenth month and fourteenth month bonuses, holidays plus any other element), the margin and VAT calculated only on the Company's margin.

Splitting the macro items that determine the trade receivable due from the customer offers a different degree of legal protection of the receivable. Indeed, in the event of customer bankruptcy, only the portion of receivable representing the remuneration of the contract worker is secured during repayment.

Receivables assigned following factoring transactions can be derecognised from the assets of the statement of financial position only if the risks and benefits related to their legal ownership were substantially transferred to the assignee. Receivables factored with recourse and receivables factored without recourse that do not meet this requirement continue to be recognised in the Company's financial statements, albeit they have been legally assigned; in this case, a financial liability of an equal amount is recorded under liabilities for the advance received.

(ii) Liquidity risk

Liquidity risk is the risk that the Company has difficulty in meeting the obligations related to financial liabilities. The Company's approach in the management of liquidity is to ensure, as much as possible, that there are always sufficient funds for fulfilling its obligations when due, both in normal conditions and during a financial tension, without having to bear excessive costs or running the risk of damaging its own reputation.

The Company monitors the economic and financial performance of each Branch, thus facilitating the monitoring of liquidity requirements and optimising the return on investment. Generally, the Company makes sure that there are cash and cash equivalents on demand sufficient for covering expected operating costs for a period of 60 days, including those relating to liabilities represented by “Contract workers” and to related contributory liabilities.

Moreover, the Company has had the following credit lines over the years:

2016

EUR 7 million of cash revolving credit lines backed by collateral, at an average interest rate equal to the 3-month Euribor plus 2.15%, subject to compliance with economic and financial parameters as described below;

EUR 83 million of credit lines that can be used against presentation of short-term trade receivables, generally at a variable rate linked to the Euribor.

2015

EUR 7 million of cash revolving credit lines, at an average interest rate equal to the 3-month Euribor plus 2.5%, subject to compliance with economic and financial parameters as described below;

EUR 75 million of credit lines that can be used against presentation of short-term trade receivables, generally at a variable rate linked to the Euribor.

As described below, the Company is subject to compliance with economic and financial parameters included in the loan agreement and calculated at the level of the Company’s financial statements.

With particular reference to the senior loan existing as at 31 December 2016, it should be noted that it provides for specific requirements of early repayment in certain cases (including the requirement of early repayment of 30% of the proceeds from own funds arising from the share capital increase carried out in the context of the IPO unless the Company completes, by 31 December 2016 (subsequently extended to 31 March 2017), the acquisition of a company and/or of a business unit and/or an equity investment in the share capital of a company using, in whole or in part, proceeds from own funds raised through the IPO).

Moreover, the Company has the following financial guarantees in place:

(In thousands of EUR)

<i>Beneficiary</i>	<i>Type</i>	2016	2015	Change
Ministry of Labour	Authorisation pursuant to Italian Legislative Decree no. 276	21,281	19,357	1,924
Third Parties	Sureties for participating in tenders	34	87	(53)
Third Parties	Sureties for leases	509	468	41
Third Parties	Other	549	513	36
Total		22,373	20,425	1,948

Guarantees given in favour of the Ministry of Labour refer to the binding force of the law to issue appropriate credit guarantees for workers employed through work employment contracts.

Sureties for leases refer to guarantees given in favour of various owners of the buildings in which the head office of the Company and some Branches are located.

(iii) Interest rate risk

The Company does not recognise any fixed-rate financial assets and liabilities; during previous years, derivative contracts hedging the risk of fluctuations in the interest rate were put in place with reference to part of the financial liabilities of the senior loan still outstanding at 31 December 2016.

(s) Segment Reporting

For the purposes of IFRS 8 “Operating Segments”, the Company” business has only one operating segment. For a more detailed analysis of the outlook and the operating indicators, please refer to the Report on Operations.

3. Acquisitions of subsidiaries and non-controlling interests

The original goodwill of EUR 44,535 thousand generated as from 1 July 2007 refers mainly to the skills and technical knowledge of the personnel of the Openjob S.p.A. Company (with particular reference to Openjob S.p.A., In Time S.p.A. and Quandocorre S.p.A.) acquired in June 2007 by WM S.r.l., which was subsequently the subject of a reverse merger into Openjob S.p.A..

Moreover, during this business combination, the value of customer relations of Openjob S.p.A. and of the subsidiary Intime S.p.A. was reported for EUR 2,472 thousand and EUR 1,390 thousand, respectively, on the basis of an appraisal drawn up by an independent expert.

Following the acquisition and subsequent merger of Metis S.p.A. on 31 December 2011, due to the elimination of the carrying amount of the equity investment of EUR 34,989 thousand, against the related equity on the date of acquisition of 31 March 2011, amounting to EUR 7,795 thousand (IFRS carrying amount before the acquisition EUR 6,835 thousand) expressed in current values (i.e. after recognising customer relations of EUR 1,400 thousand and related deferred tax liabilities), a merger deficit was generated, entirely allocated to goodwill, of EUR 27,164 thousand.

Finally, following the acquisition in January 2013 of Corium S.r.l. for EUR 477 thousand (equity adjusted on the date of acquisition of approximately EUR 94 thousand), goodwill of EUR 383 thousand was recognised.

4. Property, plant and equipment

The following tables show the changes occurred in this item.

<i>(In thousands of EUR)</i>	Land and buildings	Plant and equipment	Other items of property, plant and equipment	Property, plant and equipment under development	Assets under finance lease	Leasehold improvements	Total
<i>Cost:</i>							
Balances as at 1 January 2015	1,862	532	2,850	--	109	199	5,552
Increases	--	121	409	35	--	--	565
Decreases	--	18	306	--	--	11	335
Balances as at 31 December 2015	1,862	635	2,953	35	109	188	5,782
<i>Depreciation and impairment:</i>							
Balances as at 1 January 2015	586	358	2,242	--	109	199	3,494
Increases	55	65	371	--	--	--	491
Decreases	--	16	306	--	--	11	333
Balances as at 31 December 2015	641	407	2,307	--	109	188	3,652
<i>Carrying amounts:</i>							
As at 1 January 2015	1,276	174	608	--	--	--	2,058
As at 31 December 2015	1,221	228	646	35	--	--	2,130

<i>(In thousands of EUR)</i>	Land and buildings	Plant and equipment	Other items of property, plant and equipment	Property, plant and equipment under development	Assets under finance lease	Leasehold improvements	Total
<i>Cost:</i>							
Balances as at 1 January 2016	1,862	635	2,953	35	109	188	5,782
Increases	--	107	430	0	--	--	537
Decreases	--	27	342	0	--	2	371
Reclassification	--	--	35	(35)	--	--	--
Balances as at 31 December 2016	1,862	715	3,076	--	109	186	5,948
<i>Depreciation and impairment:</i>							
Balances as at 1 January 2016	641	407	2,307	--	109	188	3,652
Increases	54	73	398	--	--	--	525
Decreases	--	13	256	--	--	2	271
Balances as at 31 December 2016	695	467	2,449	--	109	186	3,906
<i>Carrying amounts:</i>							
As at 1 January 2016	1,221	228	646	35	--	--	2,130
As at 31 December 2016	1,167	248	627	--	--	--	2,042

Land and buildings

The item includes buildings in the provinces of Udine, Brescia and in Rodengo Saiano (BS) plus one in Aprilia, held by means of a specific finance lease agreement; at the end of the lease agreement, the Company will be able to purchase the building at a previously established redemption price.

In 2008, following the business combination, the amount of EUR 501 thousand was recognised related to the greater value of the buildings based on the appraisal provided by an independent expert; this greater value, mainly related to the building of Rodengo Saiano (BS), has not undergone significant changes since the last time the appraisal was updated.

Plant and equipment

The Company owns some non-current assets mainly related to equipment, plant and furniture at the Branches.

Other items of property, plant and equipment

The item mainly includes electronic office machines, fixtures and fittings, illuminated signs and motor vehicles.

5. Intangible assets and goodwill

The following tables show the changes occurred in this item.

<i>(In thousands of EUR)</i>	Goodwill	Customer relations	Software	Assets under development and payments on account	Total
<i>Cost:</i>					
Balances as at 1 January 2015	71,736	7,952	1,243	500	81,431
Increases	--	--	53	132	185
Decreases	--	--	--	--	--
Balances as at 31 December 2015	71,736	7,952	1,296	632	81,616
<i>Depreciation and impairment:</i>					
Balances as at 1 January 2015	--	6,960	1,027	--	7,987
Increases	--	606	172	--	778
Decreases	--	--	--	--	--
Balances as at 31 December 2015	--	7,566	1,199	--	8,765
<i>Carrying amounts:</i>					
As at 1 January 2015	71,736	992	216	500	73,444
As at 31 December 2015	71,736	386	97	632	72,851

<i>(In thousands of EUR)</i>	Goodwill	Customer relations	Software	Assets under development and payments on account	Total
<i>Cost:</i>					
Balances as at 1 January 2016	71,736	7,952	1,296	632	81,616
Increases	--	200	3	205	408
Decreases	--	--	--	--	--
Reclassification	--	--	837	(837)	--
Balances as at 31 December 2016	71,736	8,152	2,136	--	82,024
<i>Depreciation and impairment:</i>					
Balances as at 1 January 2016	--	7,566	1,199	--	8,765
Increases	--	408	98	--	506
Decreases	--	--	--	--	--
Balances as at 31 December 2016	--	7,974	1,297	--	9,271
<i>Carrying amounts:</i>					
As at 1 January 2016	71,736	386	97	632	72,851

<i>(In thousands of EUR)</i>	Goodwill	Customer relations	Software	Assets under development and payments on account	Total
As at 31 December 2016	71,736	178	839	--	72,753

Goodwill

At the end of each year, the Group tests goodwill for impairment. The impairment test on goodwill is carried out on the basis of the value in use through calculations based on projected cash flows taken from the five-year business plan.

The impairment test as at 31 December 2016 was made considering the cash generating unit consisting of all the operating assets and liabilities of the Group as a reference; the recoverable amount of the cash generating unit was tested by calculating the value in use, i.e. the present value of expected cash flows using a rate that reflects the specific risks at the measurement date.

The measurement was carried out on the basis of the 2017-2021 business plan, approved by the Board of Directors of the Company on 30 January 2017, prepared by management on the basis of both the historical economic and financial performances of the Group and of the expected future trend (which, according to OECD data, should lead to a GDP growth of 0.9% in 2017, expected to become stronger in 2018), and considering the strategy of the Group, the expected trend of the market of reference and the general macroeconomic situation. Provisional cash flows were estimated on the basis of the following assumptions:

- Revenue from contract work: in the assumption of a growth of Italy's GDP and by virtue of the fact that in past years there has always been a very strong positive relation between changes in GDP and changes in the domestic market of contract work services, the assumption as regards revenue for the Company is of a growth, on a like-for-like basis, of 7.3% in 2017; the forecast then drops to around 4.5% from 2018 to 2020, further reduced to 2.5% in 2021;
- Revenue from Training and Personnel Recruitment and Selection: expected to grow consistently with revenue from services.

These assumptions are based on the following growth drivers: (a) Italian economic recovery and expected developments in the reference market; (b) opportunities provided by changes in the regulatory framework; (c) strengthening of the business structure.

To calculate the terminal value, a prudential assumption was adopted of a steady state scenario (g-rate equal to zero), in which, given a zero growth, the obtainable cash flow on a like-for-like

basis and from the year following the year related to the analytical forecasts, was estimated on the basis the following main assumptions:

- EBITDA, normal average equal to the last year of analytical forecast;
- maintenance capital expenditure, equal to EUR 0.8 million;
- constant working capital;
- constant provisions on a like-for-like basis.

These projections reflect the current conditions of all the operating assets and liabilities of the Group being measured and the values used are consistent with the historical performance of the Group, and partially diverging from the expectations of management in relation to the mentioned expected trends in the market of reference.

Due to their nature, forecasts are subject to unforeseen elements that could still affect them, such as failure by GDP to increase as expected, changes in interest rates and inflation rates, changes in revenue, margins and collection terms from customers because of the macroeconomic trend.

Projected cash flows were therefore discounted taking into account a cost of unlevered risk capital, calculated on the basis of the Capital Asset Pricing Model (CAPM), of 10.0% (previous year equal to 10.7%) gross of the related tax effect. This rate reflects the current market evaluation of the time value of money for the period in question and the specific risks of the sector and country, Italy, where the Group operates. The WACC as at 31 December 2016 was estimated on the basis of the following assumptions:

- the risk-free rate used (3.2%) is equal to the sum of the real interest rate (1.2%) and expected inflation rate in the long term (2%);
- the beta coefficient (unlevered) was 1.1 on the basis of the characteristics of the sector concerned and of the beta recognised with reference to a sample of listed companies belonging to the sector concerned;
- the equity risk premium used is 5.0%;
- the country risk premium was assumed to be equal, by approximation, to the difference between the yield Italian and German long-term government bonds registered at the end of 2016 (approximately 1.3%).

The present value of the tax shield of the debt - i.e. of the tax benefits related to the deductibility of financial expense - was added to the present value of expected cash flows.

The value in use as at 31 December 2016 calculated in this way was greater than the carrying amount of the cash generating unit. Therefore, no impairment losses were recognised as at 31 December 2016, as in previous years.

The carrying amount and the recoverable amount of the CGU, as recognised at the end of the last three years, is shown hereunder:

years	Carrying amount	Recoverable amount	Amount in excess, recoverable with respect to the carrying amount
2014	111,905	136,221	24,316
2015	111,337	125,062	13,725
2016	118,218	161,350	43,132

Even though the assumptions on the macroeconomic scenario, the developments in the sector in which the Group operates and the estimates of future cash flows are deemed appropriate, changes in the assumptions or circumstances can require that the analysis described above be modified. The sensitivity analysis as at 31 December 2016 shows that the value in use is equal to the carrying amount of the Cash Generating Unit in the event of an increase in the discount rate of 3.3 percentage points, all the other conditions being equal; similarly, in the case of a reduction in the cash flows by 26.8% throughout the plan period, the value in use would equal the carrying amount of the Cash Generating Unit.

It should also be noted that the impairment test as at 31 December 2016, approved by the Board of Directors of the Company on 16 March 2017, was not subject to a fairness opinion by independent experts. Finally, appraisals drawn up by independent expert were used for preparing it. Finally it should be noted that at 31 December 2016 the Company, whose shares are traded on the STAR segment of the on line stock exchange (MTA) managed by Borsa Italiana S.p.A., capitalised approximately EUR 83,780 thousand.

Customer relations

The item Customer relations includes the value attributed to the customer relations of the former Openjob S.p.A. (historical cost of EUR 2,472 thousand) and of Intime S.p.A. (historical cost of EUR 1,390 thousand), as identified by the appraisal prepared by an independent expert. Customer relations were considered representative of the intangible asset that makes a significant, as well as specifically identifiable, contribution to forming the Company's result. In particular, the "excess earning method" was used to calculate it; according to this method, the income attributed

to customer relations was obtained by deducting from the expected cash flows over the time horizon that defines the economic life of the intangible asset, as defined below, the remuneration for the use of other items of property, plant and equipment and intangible assets that form the Company's result. Therefore, these flows were discounted at a rate of 9.97% deemed consistent with the risk profile attributable to the intangible asset in question. Its remaining useful economic life was identified in 7.5 years starting from the date of the estimate with reference to 30 June 2007. The item increased in 2009 and 2010 (a total of EUR 2,690 thousand) due to the acquisition of the business unit of J.O.B. S.p.A. consisting mainly of contracts in progress on the date of acquisition. Consequently, the amount paid was considered mainly due to customer relations at the date of acquisition, and was therefore recognised under Customer Relations. The useful life is deemed to be similar to the Customer Relations identified previously and therefore it is amortised over 7.5 years. The item increased again (EUR 1,400 thousand) in 2011 due to the acquisition of Metis S.p.A.; in this specific case, the value identified by the appraisal prepared by an independent expert, with the same criteria previously used, is amortised in 4.5 years. Lastly, on 1 July 2016, the historical cost was increased by EUR 200 thousand following the purchase of the "Noi per Voi S.r.l." customer database, and is amortised over 4.5 years.

Software

The item Software refers to the operational and management programs acquired from the Company. The project to develop the Databook software, dedicated to supporting operational processes and exchanges of information regarding the activities of the Agenzia per il Lavoro, was completed towards the end of 2016 and the costs have subsequently been reclassified to software. The software will be amortised from 2017.

Assets under development

Assets under development and payments on account at 31 December 2015 relate to costs incurred for the development of the aforementioned software, reclassified as indicated above.

There are no fully amortised intangible assets of significant amounts still in use. The balances do not include impairment losses or reversals of impairment losses.

6. Equity investments in subsidiaries

The changes during the year were as follows:

<i>(In thousands of EUR)</i>	Seltis S.r.l.	Openjob Consulting S.r.l.	Corium S.r.l.	Total
Balance as at 1 January 2015	598	329	477	1,404
Acquisitions	-	-	-	-
Value increases	-	-	50	50
Value decreases	-	-	-	-
Balance as at 31 December 2015	598	329	527	1,454
Acquisitions	-	-	-	-
Value increases	-	-	112	112
Value decreases	-	-	-	-
Balance as at 31 December 2016	598	329	639	1,566

A comparison between the carrying amount of equity investments and the respective equity is shown below.

<i>(In thousands of EUR)</i>	Share capital	Equity	% owned	Value pro rata (A)	Carrying amount (B)	Differences (A-B)
Seltis S.r.l.	110	899	100%	899	598	301
Openjob Consulting S.r.l.	100	2,346	100%	2,346	329	2,017
Corium S.r.l.	32	57	100%	57	639	(582)
Total	242	3,302		3,302	1,566	1,736

Seltis S.r.l. operates in the area of third-party personnel recruitment and selection; the company Openjob Consulting primarily provides training, execution and delivery of services to businesses, and third-party data processing, and Corium provides support in staff outplacement.

The negative difference with respect to the subsidiary Corium S.r.l. is mainly attributable to the goodwill paid at the time of the acquisition, as well as to the loss incurred by the subsidiary, which is believed to be temporary and therefore no impairment loss has been recognised.

7. Non-current financial assets

This item mainly consists of guarantee deposits paid for utilities of the registered office and the Branches.

8. Deferred tax assets and liabilities

Deferred tax assets and liabilities refer to the following items:

<i>(In thousands of EUR)</i>	Assets		Liabilities		Net	
	31 Dec. 2016	31 Dec. 2015	31 Dec. 2016	31 Dec. 2015	31 Dec. 2016	31 Dec. 2015
Property, plant and equipment	--	--	189	196	(189)	(196)
Intangible assets	22	33	--	--	22	33
Employee benefits	9	12	--	--	9	12
Provisions	347	445	--	--	347	445
Trade and other receivables	859	2,086	--	--	859	2,086

Costs with deferred deductibility	507	482	--	--	507	482
Interest expense that can be carried forward (Gross operating profit (loss))	725	1,538	--	--	725	1,538
Listing costs	544	752	--	--	544	752
Total	3,013	5,348	189	196	2,824	5,152

Temporary differences between the tax base of assets and liabilities and their carrying amounts were not excluded from the calculation of deferred taxes.

There are no tax losses that can be carried forward for which deferred tax assets can be recognised.

Tax assets and liabilities are measured using the tax rates that are expected to be applicable in the year in which the asset or the liability to which they refer will be realised or discharged, respectively, on the basis of tax rates established by measures in force or substantially in force at the reporting date (IRES 24% from 2017).

Changes in net deferred tax assets and liabilities were as follows:

<i>(In thousands of EUR)</i>	Balance 01 January 2016	Changes in profit or loss	Balance 31 December 2016
Property, plant and equipment	(196)	7	(189)
Intangible assets	33	(11)	22
Employee benefits	12	(3)	9
Provisions	445	(98)	347
Trade and other receivables	2,086	(1227)	859
Costs with deferred deductibility	482	25	507
Interest expense that can be carried forward (Gross operating profit (loss))	1,538	(813)	725
Listing costs	752	(208)	544
Total	5,152	(2,328)	2,824

9. Cash and cash equivalents

The item includes the credit balance of bank and postal deposits and cash-in-hand.

<i>(In thousands of EUR)</i>	2016	2015	Change
Bank and postal deposits	6,391	20,000	(13,609)
Cash in hand and cash equivalents	20	21	(1)
Total cash and cash equivalents	6,411	20,021	(13,610)

With reference to the net financial indebtedness, as defined in CONSOB Communication No. 6064293, please refer to Note 13 below.

10. Trade receivables

The item is made up as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
From third-party customers	106,296	93,581	12,715
From related parties	20	44	(24)
Allowance for impairment	(4,005)	(9,553)	5,548
Total trade receivables	102,311	84,072	18,239

As at 31 December 2016 and 2015, there were no trade receivables arising from factoring with recourse. Total receivables are exclusively related to Italian customers; therefore, there are no receivables in currencies other than the Euro. At the reporting dates, there were no concentration of receivables from a limited number of customers.

Trade receivables from related parties refer mainly to a receivable from the subsidiaries Openjob Consulting S.r.l. for EUR 8 thousand (EUR 25 thousand in 2015), Seltis S.r.l. for EUR 0 thousand (EUR 18 thousand in 2015) and Corium S.r.l. for EUR 11 thousand (EUR 0 thousand in 2015).

The item is recorded in the financial statements net of an allowance for impairment of EUR 4,005 thousand. The increase in receivables is essentially due to the higher level of turnover achieved in 2016, and in particular during the last quarter of the year, compared to the previous year.

As at 31 December 2016 and 2015, there were no outstanding factoring transactions with out recourse.

An analysis of the D.S.O. shows that the extension days granted on average to customers appear to have increased, compared with the same period of last year, from 71 to 81 days. This increase, however, is mainly due to the acceleration of revenue occurred in the final part of 2016. Indeed, by calculating the D.S.O. only on the fourth quarter, i.e. receivables/quarterly revenues * 90 days, a D.S.O. of 72 days is achieved, basically in line with 2015 (71 days).

Please refer to note 30(a) "Impairment losses" for more information about the analysis of the exposure to trade receivables at the reporting date.

11. Other receivables

The item is made up as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
Receivable for refunding of VAT and IRES receivable on IRAP 2007-2011	1,272	1,405	(133)
Receivable from the INPS treasury funds for post-employment benefits	1,416	1,673	(257)
Prepayments for insurance costs	19	19	0
Other prepayments	536	520	16
Other disputed receivables	1,095	1,095	0
Receivable for domestic tax consolidation scheme	274	188	86
Receivables from Forma.Temp	308	826	(518)
Receivable from tax authorities for disputes	1,328	788	540
Other sundry receivables	59	7	52
Total other receivables	6,307	6,521	(214)

The item Other disputed receivables refers to the receivable from a former Director of Metis who left office in 2009; the Provisions for risks reflect the considerations made for this litigation.

The item Receivables from tax authorities for disputes refers to the amounts paid following the assessment notices, as described in detail in Note 29.

Other prepayments at 31 December 2016 of EUR 536 thousand and at 31 December 2015 of EUR 520 thousand mainly refer to advance costs entirely recognised during the current year, relating to sponsorships, bank fees and sundry rentals.

12. Current tax assets

As at 31 December 2016, the receivable for current income taxes amounts to EUR 316 thousand and refers to a receivable from tax authorities for IRES (EUR 388 thousand in 2015 from tax authorities for IRAP).

13. Bank loans and borrowings and other financial liabilities

This note illustrates the contractual conditions that regulate the Company's financial liabilities. For further information on the Company's exposure to the interest rate risk, reference is made to Note 30.

<i>(In thousands of EUR)</i>	2016	2015	Change
Non-current liabilities:			
ICCREA-BCC Loan	1,006	0	1,006
Tranche A Senior Loan	15,896	28,337	(12,441)
Finance lease payables	61	73	(12)
Total non-current liabilities	16,963	28,410	(11,447)
Current liabilities			
Tranche A Senior Loan	12,675	6,000	6,675
Non-guaranteed bank loans and borrowings	17,881	29,165	(11,284)
Derivative instruments	51	248	(197)
ICCREA-BCC Loan	1,994	2,016	(22)
Finance lease payables	11	10	1
Total current liabilities	32,612	37,439	(4,827)
Total current and non-current liabilities	49,575	65,849	(16,274)

On 26 June 2015, a medium to long-term amortising loan of EUR 35 million was subscribed and issued, which envisages a revolving credit line of EUR 7 million not used on the date of approval of the financial statements.

On 23 December 2016, a pool loan (BCC and ICCREA BANK) was granted in the amount of EUR 3,000 thousand, expiring on 22 June 2018, to be repaid in 6 quarterly instalments.

The contractual conditions of bank loans and borrowings and other financial liabilities, excluding derivatives, are set out below:

<i>(In thousands of EUR)</i>				31 December 2016		31 December 2015	
	Curr.	Nominal interest rate	Year of maturity	Nominal amount	Carrying amount	Nominal amount	Carrying amount
Senior loan – Tranche A	EUR	Euribor*	2020	29,000	28,571	35,000	34,337
ICCREA-BCC Loan	EUR	Euribor**	2018	3,000	3,000	2,016	2,016
Non-guaranteed bank loans and borrowings	EUR	1.00% ***		17,881	17,881	29,165	29,165
Finance lease liabilities	EUR	5.00% ***	2021	72	72	83	83
Total interest-bearing liabilities				49,953	49,524	66,264	65,601

* 1-month Euribor plus a spread ranging from a minimum of 2.15% to a maximum of 3.35% also in relation to compliance with certain financial constraints

** 3-month Euribor plus a 1.20% spread

*** These are approximate average rates

The medium to long-term loan outstanding envisages compliance with the economic and financial covenants normally applied on the market. The banks have the right to request the termination of the loan agreement only in the event that two covenants, even if not the same, are not met for two consecutive measurement periods. As has happened before in the past, at the

reporting date one covenant has not been met because of strong sales growth in the last quarter, and therefore said measurement is not representative of the actual performance of the group. No effect on the outstanding loan is envisaged. At 31 December 2016, EUR 5,075 thousand of the senior loan was reclassified from non-current liabilities to current liabilities in relation to an obligation to include it in the relevant loan agreement as indicated in Note 2.

The covenants that must be complied with on a consolidated basis are shown below:

Calculation Dates	<u>NFI</u> <u>EBITDA</u> ≤	<u>NFI</u> <u>E</u> ≤	<u>DSCR</u> ≥
31 December 2016	3.6x	1.4x	1.0x
30 June 2017	3.0x	1.25x	1.0x
31 December 2017	2.75x	1.2x	1.0x
30 June 2018	2.3x	1.1x	1.0x
31 December 2018	2.0x	1.0x	1.0x

NFI = Net Financial Indebtedness

EBITDA = Profit (loss) for the year before income taxes, net financial expense, amortisation/depreciation, provisions and impairment losses.

E = Equity

DSCR = Debt Service Cover Ratio, ratio of Free cash flow to Debt Service, each calculated with respect to the same Reference Period at Group level

Finance lease payables are made up as follows:

<i>(In thousands of EUR)</i>	Minimum finance lease payments due	Interest	Capital	Minimum finance lease payments due	Interest	Capital
	2016	2016	2016	2015	2015	2015
Non-current liabilities						
Due within one year	14	3	11	14	4	10
Due after one year	67	6	61	83	10	73
Total	81	9	72	97	14	83

The table below shows the net financial indebtedness of the Company as at 31 December 2016 and 2015, calculated in accordance with the provisions of the Recommendation ESMA/2013/319.

<i>(In thousands of EUR)</i>	Financial statements as at 31 December		2016/2015 Change	
	2016	2015	Value	%
A Cash	20	21	(1)	(4.8%)
B Other cash and cash equivalents	6,391	20,000	(13,609)	(68.0%)
C Securities held for trading	-	-	-	-
D Cash and cash equivalents (A+B+C)	6,411	20,021	(13,610)	(68.0%)
E Current financial receivables	-	-	-	-
F Current bank payables	(17,881)	(31,191)	13,310	(42.7%)
G Current portion of non-current debt	(14,669)	(6,000)	(8,669)	144.5%
H Other current financial payables	(62)	(248)	186	(75.0%)
I Current financial indebtedness (F+G+H)	(32,612)	(37,439)	4,827	(12.9%)
J Net current financial indebtedness (D+E+I)	(26,201)	(17,418)	(8,783)	50.4%
K Non-current bank payables	(16,902)	(28,337)	11,435	(40.4%)
L Bonds issued	-	-	-	-
M Other non-current payables	(61)	(73)	12	(16.4%)
N Non-current financial indebtedness (K+L+M)	(16,963)	(28,410)	11,447	(40.3%)
O Net Financial Indebtedness (J+N)	(43,164)	(45,828)	2,664	(5.8%)

14. Employee benefits

(a) current

The balance of the item current employee benefits includes:

<i>(In thousands of EUR)</i>	2016	2015	Change
Salaries payable to contract workers	24,996	20,707	4,289
Emoluments payable to contract workers	5,546	3,989	1,557
Post-employment benefits of contract workers	612	381	231
Remuneration payable to employees	2,081	2,214	(133)
Total payables for employee benefits	33,235	27,291	5,944

Given the nature of business carried out by the Company and the average duration of employment contracts with contract workers, employee benefits represented by the post-employment benefits of contract workers are paid on average during the first months of the following year and were consequently regarded as current liabilities. Therefore, the liability was not discounted and corresponds to the obligation due to temporary workers at the end of the contract.

The increase recorded at 31 December 2016 compared to 31 December 2015 is attributable to the greater number of tasks for contract workers and to greater turnover in the last quarter of 2016 compared to 2015.

(b) non-current

The balance of the item Employee benefits relates to post-employment benefits to employees. The change in the payable related to employee benefits in the different years is summarised as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
Payables for employee benefits as at 1 January	781	783	(2)
Cost recognised in profit or loss	13	16	(3)
Payments during the year	(53)	(35)	(18)
Actuarial valuation	(15)	17	(32)
Total payables for employee benefits	726	781	(55)

The amount is recognised in profit or loss as per the following table:

<i>(In thousands of EUR)</i>	2016	2015	Change
Current service cost	0	0	0
Interest expense on the obligation	13	16	(3)
Total	13	16	(3)

The liability related to the post-employment benefits is based on the actuarial valuation made by independent experts according to the following main parameters:

	2016	2015
Projected future salary increases (average value)	1.0%	1.0%
Projected staff turnover	9.0%	9.0%
Discount rate	1.8%	1.6%
Average inflation rate	1.5%	2.0%

15. Trade payables

The item includes trade payables for the provision of services and consultancy.

Total payables at the reporting date are exclusively due to Italian suppliers. Moreover, there are no payables in currencies other than the Euro. At the reporting date there were no concentrations of payables to a limited number of suppliers.

The item is broken down as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
Trade payables to third parties	8,068	8,744	(676)
Trade payables to related parties	49	61	(12)
Total trade payables	8,117	8,805	(688)

Payables to related parties at 31 December 2016 derive from the sponsorship contract with a sports company. They have been adjusted for comparative purpose as a result of a change in 2016, in the identification of related parties, as described in more detail in Note 32.

16. Other payables

The item is broken down as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
Social security charges payable	16,583	13,774	2,809
Tax payables	10,386	9,136	1,250
Payables to Forma.Temp	537	185	352
Payables to subsidiaries	37	70	(33)
Other payables	104	119	(15)
Total other payables	27,647	23,284	4,363

Social security charges payable mainly refers to payables to INPS (the Italian Social Security Institution), INAIL (the Italian National Institute for Insurance against Accidents at Work) and other social security institutions referring to remuneration to contract workers and employees.

Payables to subsidiaries relate to a payable to the subsidiaries Seltis S.r.l. and Corium S.r.l. for the domestic tax consolidation scheme.

The item tax payables is broken down as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
Withholding taxes – Employees	9,831	8,955	876
VAT and other minor payables	555	181	374
Total tax payables	10,386	9,136	1,250

17. Current tax liabilities

Current tax liabilities refer to the payable to the tax authorities for IRAP of EUR 154 thousand.

At 31 December 2015, current tax liabilities refer to the payable to the tax authorities for IRES of EUR 834.

18. Provisions for risks and charges

Provisions were broken down as follows:

<i>(In thousands of EUR)</i>	Balance as at 1.1.2016	Increases	Uses	Balance as at 31.12.2016
Litigation matters	2,259	634	(449)	2,444

The item refers to possible future charges related to certain disputes with personnel, to a dispute related to a non-trade receivable and to a dispute with the Inland Revenue Agency, in regard to which reference should be made to Note 29 for further information, in addition to other minor risks. The increases during the year relate mainly to a tax risk with regard to which reference is made to Note 29.

19. Equity

(a) Share capital

<i>(In thousands of shares)</i>	2016	2015
Ordinary shares		
Issued as at 1 January	13,712	10,637
Issued as at 31 December	13,712	13,712

As at 31 December 2016, the approved share capital consists of 13,712,000 ordinary shares held by Wise Sgr S.p.A as the management company of “Fondo Comune di Investimento Mobiliare Wisequity II e Macchine Italia” (35.5%), by Omniafin S.p.A. (17.8%), by MTI Investimenti S.A. (Luxembourg) (4.8%), by Quamvis S.C.A. SICAV-FIS (9,0%) while the rest (32.9%) is held by the market.

The Company did not issue any preference shares.

The share capital has been fully paid up.

(b) Share premium reserve

The Share premium reserve includes the share premium paid as a result of the share capital increase made during the extraordinary shareholders' meeting of 18 March 2005 (EUR 3,899 thousand), the share premium recognised as a result of the share capital increase made on 11 June 2007 (EUR 51 thousand), the share premium recognised as a result of the share capital injection on 14 March 2011 (EUR 5,030 thousand), the share premium paid as a result of the share capital increase of 14 March 2011 (EUR 7,833 thousand), the share premium recognised as a result of the conversion of the bond loan on 26 June 2015 (EUR 700 thousand), and the share premium recognised as a result of the Public Offering of Sale and Subscription made on 3 December 2015 (EUR 16,240 thousand). Lastly, the reserve was reduced by EUR 2,208 thousand for the portion of the listing costs related to the public subscription offering (i.e. costs directly attributable to the latter and portion pro rata of the other listing costs, in proportion to the number of shares related to the public subscription offering, relative to the total number of shares of the initial public offering, including the greenshoe option).

(c) Other Reserves

The item Other Reserves includes the residual portion of EUR 15,602 thousand of the reserve of WM S.r.l. originally of EUR 25,959 thousand. This reserve was used in part to cover the losses for 2007, and increased following the merger surplus with Quandocorre S.p.A.; subsequently, it decreased to cover the 2009 losses carried forward.

As at 31 December 2016, in accordance with IAS 19, the net actuarial gain of EUR 15 thousand - resulting from the difference between the expected benefits calculated for the period of reference and the actual benefit resulting from the new valuation assumptions at the end of the period - was accounted for in equity.

As described above, the fair value at 31 December 2016 of derivative contracts put in place to hedge interest rate risks related to the outstanding senior loan, totalling EUR 51 thousand, was accounted for to reduce equity.

The following table summarises the availability and usability of reserves:

<i>(In thousands of EUR)</i>	Amount	Usability	Available portion	Use for coverage of losses over the past three years
Share capital	13,712		--	--
Legal reserve	644	B	--	--
Share premium reserve	31,545	A, B	31,545	--
Other reserves	17,831	A, B, C	17,831	2,350
Total	63,732			2,350
Available portion			49,386	

Key to symbols:

A = Share capital increase

B = Loss coverage

C = To be distributed to shareholders

The distributable portion is equal to the Other Reserves.

20. Revenue

A breakdown of revenue by type of contract work, all in EUR and from Italian customers, is summarised in the following table:

<i>(In thousands of EUR)</i>	2016	2015	Change
Revenue from contract work	454,040	425,613	28,427
Revenue from personnel recruitment and selection	379	447	(68)
Revenue from other activities	1,332	2,123	(791)
Expenses charged to Group companies	240	308	(68)
Total Revenue	455,991	428,491	27,500

The item “revenue from other activities” mainly refers to revenue from the active policies and rewards (“premialità”) recognised by Forma.Temp, revenue from Dote Lavoro, “Garanzia Giovani (state-sponsored project for unemployed young people) and the sale of ad hoc training on assignment, and other minor revenue.

21. Other income

The item includes:

<i>(In thousands of EUR)</i>	2016	2015	Change
Recognition of grants from Forma.Temp	10,085	8,782	1,303
Other sundry income	1,967	1,758	209
Total other income	12,052	10,540	1,512

The grants from Forma.Temp refer to grants received from this Body for the repayment of the costs incurred for training courses for contract workers, included in the item Costs for services.

The grants are recognised by the Body on the basis of the specific reporting of costs for the organising and carrying out of training activities. The relevant revenue recognition occurs in a timely manner on the basis of the reporting of costs incurred for each course.

The item Other sundry income mainly includes income relating to the collection of previously impaired receivables, to adjustments to the allocations of costs related to previous years and to other minor income.

22. Personnel expense

The item includes:

Cost of contract work

<i>(In thousands of EUR)</i>	2016	2015	Change
Wages and salaries of contract workers	287,157	266,776	20,381
Social security charges of contract workers	86,403	82,630	3,773
Post-employment benefits of contract workers	14,054	12,883	1,171
Forma.Temp contributions for contract workers	11,130	10,414	716
Other costs of contract workers	1,980	1,800	180
Total personnel expense	400,724	374,503	26,221

Forma.Temp contributions refer to the compulsory payment to the Bilateral body of approximately 4% of some elements of gross salaries of contract workers, to be allocated to the promotion of qualification courses for the workers themselves.

Other costs of contract workers mainly refer to additional charges such as luncheon vouchers and various refunds.

Personnel expense

<i>(In thousands of EUR)</i>	2016	2015	Change
Salaries and wages of employees	17,393	17,339	54
Social security costs of employees	5,142	5,183	(41)
Post-employment benefits of employees	1163	1,125	38
Remuneration to the Board of Directors and committees	1,186	1,101	85
Social security costs of the Board of Directors	63	79	(16)
Fringe benefits to directors	0	20	(20)
Other employee costs	963	796	167
Total personnel expense	25,910	25,643	267

Other employee costs for personnel mainly refer to additional charges such as luncheon vouchers and various refunds.

The remuneration of key management personnel is indicated in Note 33.

The remuneration of the Board of Directors and the costs for salaries and related social security charges, for the year ended 31 December 2015, include non-recurring expenses, i.e. rewards to key management personnel related to the listing on the on line stock exchange (MTA), totalling EUR 570 thousand.

The average number of employees is set out below:

Average number of employees	2016	2015	Change
	no.	no.	
Executives – employees	2	2	0
White-collar staff – employees	532	524	8
Total	534	526	8

23. Cost of raw materials and consumables

The item mainly includes costs for consumables, stationery and other minor expenses.

24. Costs for services

The item includes:

<i>(In thousands of EUR)</i>	2016	2015	Change
Costs for organising courses for temporary workers	10,085	8,783	1,302
Costs for tax, legal, IT, business consultancy	3,638	2,596	1,042
Costs for marketing consultancy	1,932	2,425	(493)
Non-recurring costs for services	237	2,224	(1,987)
Fees to sources and professional advisors	1,963	1,127	836
Rental expenditure	2,349	2,235	114
Costs for advertising and sponsorships	1,446	1,357	89
Costs for car rentals	1,270	1,299	(29)
Costs for utilities	921	769	152
Remuneration of the Board of Statutory Auditors	88	54	34
Other	3,164	2,983	181
Total costs for services	27,093	25,852	1,241

Costs for organising courses for temporary workers mainly refer to costs charged by training companies, for organising training activities carried out in favour of contract workers, in addition to additional charges. This includes the costs incurred in favour of related parties, as described in greater detail in note 32. The costs borne by the organisational bodies mainly consist of services invoiced by independent expert. Against the precise and timely reporting of the costs incurred for the courses, Openjobmetis S.p.A. receives a specific refund by Forma.Temp and by other bodies.

The item marketing consultancy includes the costs incurred for commercial development projects in some geographical areas.

The item Fees to sources and professional advisors refers to costs incurred to promote the meeting with possible customers.

Rental expenditure is related both to costs incurred for the rentals of Branches located all over the country and for the rental of the operating office at Gallarate.

Costs for advertising and sponsorship refer to ads, to costs for the dissemination of the corporate image and to the contribution as the main sponsor of a sports club.

Non-recurring costs for services relate to due diligence activities for the year ended 31 December 2016, while for the year ended 31 December 2015 they relate:

- for EUR 1,570 thousand to costs incurred in connection with the listing on the on line stock exchange (MTA), and mainly include the costs incurred for the appointment of the sponsor and the arranger and the cost of advisors who oversaw the drafting of the prospectus, limited

to the portion of costs related to the public offering (i.e. costs directly attributable to the latter and portion pro rata of the other listing costs, as a proportion of the number of shares related to the public offering, to the total number of shares of the initial public offering, including the greenshoe option);

- for EUR 654 thousand, to due diligence and legal services for the negotiation of the medium-term loan disbursed in June 2015.

Other costs mainly include costs incurred for insurance, information on customer solvency, the fees of the audit company, published notices and sundry rentals.

25. Other operating expenses

The item includes:

<i>(In thousands of EUR)</i>	2016	2015	Change
Other expenses	758	515	243
Total other operating expenses	758	515	243

Other expenses include expenses for stamps, membership fees, other taxes such as the waste tax and advertising, minor taxes and penalties, and capital losses on the disposal of assets.

26. Provisions and impairment losses on assets

The item includes the following entries:

<i>(In thousands of EUR)</i>	2016	2015	Change
Allowance for impairment	425	2,940	(2,515)
Provisions for risks	34	170	(136)
Total provisions and impairment	459	3,110	2,651

For more details on the impairment losses on receivables, reference is made to the Report on Operations and to Note 30 below.

27. Net financial income (expenses)

Net Financial income and expense are shown in the following table:

<i>(In thousands of EUR)</i>	2016	2015	Change
Banking interest income	53	29	24
Interest income on receivables from customers	92	64	28
Dividends from subsidiaries	2,100	1,600	500
Total financial income	2,245	1,693	552
Interest expense on loans	(851)	(1,060)	209
Interest expense on current accounts, factoring and bonds	(245)	(1,157)	912
Other interest expense	(503)	(1,104)	601
Total financial expense	(1,599)	(3,321)	1,722
Total net financial income (expenses)	646	(1,628)	2,274

Other interest expense mainly refers to regular payments of differentials on derivative contracts hedging the interest rate risks, and to the portion of costs attributable to each year deriving from the application of the amortised cost method to the outstanding loan in accordance with IAS 39.

28. Income taxes

Income taxes recognised in profit or loss are broken down as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
Current taxes	654	2,664	(2,010)
Deferred tax assets	2,335	(677)	3,012
Deferred tax liabilities	(7)	(100)	93
Allocation to tax reserve	600	0	600
Total Income taxes	3,582	1,887	1,695

Current taxes as at 31 December 2016 totalling EUR 654 thousand refer to IRAP of EUR 585 thousand and to IRES of EUR 69 thousand.

Current taxes as at 31 December 2015 totalling EUR 2,664 thousand refer to IRAP of EUR 431 thousand and to IRES of EUR 2,233 thousand.

In addition, the Group set aside EUR 600 thousand for 2016 for risks relating to tax disputes; for further details, see Note 29.

The following table shows the items that reconcile the difference between the theoretical tax burden at Italian rate and the taxes actually charged to the year:

<i>(In thousands of EUR)</i>	2016	Rate	2015	Rate
Pre-tax profit (loss)	12,496		6,290	
Theoretical income taxes (a)	3,436	27.50	1,730	27.50%
Tax effect of permanent differences including:				
- cars	194		199	
- telephony	55		46	
- prior year items and charges	52		37	
- board and lodging	31		34	
- Other changes	(7)		(609)	
- ACE (Aiuto alla crescita economica, Aid to economic growth)	(489)		(214)	
- 10% IRAP deduction	(25)		(32)	
- Dividends/income from liquidation	(549)		(418)	
Subtotal (b)	(738)		(957)	
Adjustment to change in rate c)	(292)		701	
Income taxes recorded in the Financial Statements				
(current and deferred) excluding IRAP (a + b + c)	2,406	19.25%	1,474	23.43%
IRAP (current and deferred)	576	4.61%	413	6.57%
Income taxes recorded in the Financial Statements (current and deferred)	2,982	23.86%	1,887	30%
Tax from previous years (allocation to tax reserve)	600	4.80%	0	0%

It should be noted that for the three-year period 2016-2018, Openjobmetis S.p.A. and its subsidiaries Openjob Consulting S.r.l. and Seltis S.r.l. renewed the option for the domestic tax consolidation scheme pursuant to Articles 117/129 of the Consolidated income tax act, to which the subsidiary Corium S.r.l. was added for the three-year period 2014-2016, thus benefiting from the possibility of offsetting the taxable profit against tax losses in a single tax return. Unless revoked, the option is automatically renewed for the next three years at the end of the three-year period.

In line with the comments in Note 8, effective for the tax periods following the one that was current on 31.12.2016, IRES is commensurate with the total net income with the new rate of 24% instead of 27.5%.

29. Potential liabilities

The Company is a party to pending litigations and legal disputes. Based on the opinion of legal and tax advisors, the directors do not expect that the outcome of these ongoing actions will have

a significant effect on the financial position of the Company, in addition to what was already allocated in the financial statements.

Specifically:

- In 2013, Openjobmetis S.p.A. received two tax assessment notices on 2007 and 2008 respectively; in 2014, it received a tax assessment notice on 2009, in September 2015 it received a tax assessment notice on 2010 and in December 2016 it received a tax assessment notice on 2011. All these notices were relating to the alleged non-deductibility of part of the financial expense. The possibility of further notices of assessment in relation to subsequent periods cannot be ruled out since similar assumptions can exist in the reconstruction carried out by the Italian tax authorities. On 23 September 2015, the Provincial Tax Commission of Milan issued the sentence on the aggregate appeals, filed against the relevant tax assessment notices for the years 2007 and 2008, and accepted only partially the objections filed. Non-deductible interest for 2007 was redefined. On 29 December 2015, the company submitted an appeal. On 4 November 2016, an unfavourable judgement was awarded to the company, confirming the outcome of the first instance proceedings. Openjobmetis S.p.A. subsequently received payment notices for a total of EUR 1,053 thousand, EUR 788 thousand of which was paid in 2015 and EUR 265 thousand in 2017.

In response to said second-instance ruling, Openjobmetis S.p.A. will, within the terms of the law, lodge an appeal before the Court of Cassation.

With regard to litigation for the years 2009 and 2010, the first-instance rulings were unfavourable for various reasons. During the first months of 2017, the relevant second-instance appeals were lodged and the company is currently awaiting the notice of proceedings. Openjobmetis S.p.A. received payment notices for a total of EUR 549 thousand, which it paid in 2016.

With regard to litigation for 2011, Openjobmetis S.p.A. submitted a tax assessment settlement petition for which it is awaiting a response from the Inland Revenue Agency.

Based on the opinion of its legal advisor, the Company feels it has valid reasons in support of its actions. However, in consideration of the fact that the Company's reasons may well not be fully recognised, it has allocated an appropriate risk fund provision. This allocation is equivalent to around 20% of the estimated potential liability.

30. Financial instruments

(a) Credit risk

- **Exposure to credit risk**

The carrying amount of the financial assets represents the Company's maximum exposure to credit risk. At the reporting date, this exposure is set below:

<i>(In thousands of EUR)</i>	2016	2015	Change
Held-to-maturity investments	14	34	(20)
Trade receivables	102,311	84,072	18,239
Cash and cash equivalents	6,411	20,021	(13,610)
Total	108,736	104,127	4,609

All the receivables refer to Italian customers.

There are no particular concentrations of receivables in specific sectors.

Exposure to the top 10 customers accounts for approximately 13% of total receivables in 2016 and 17% in 2015.

- **Impairment losses**

The ageing of trade receivables at the reporting date was as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
Falling due	83,631	67,021	16,610
Past due from 0 to 90 days	18,065	14,907	3,158
Past due from 91 to 360 days	1,158	2,460	(1,302)
Past due 360 days or more	3,462	9,237	(5,775)
Total trade receivables	106,316	93,625	12,691

The changes in the allowance for impairment of trade receivables during the years were as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
Balance as at 1 January	9,553	7,812	1,741
Impairment loss for the year	425	2,940	(2,515)
Uses made during the year	(5,973)	(1,199)	(4,774)
Balance as at 31 December	4,005	9,553	(5,548)

The Company sets aside an allowance for impairment that reflects the estimate of losses on trade receivables and on other receivables, whose main components are the individual impairment of significant exposures and collective impairment of homogeneous groups of assets against losses

that have not yet been identified. The collective impairment is calculated on the basis of the time series of losses. The allowance for impairment mainly relates to receivables that have been outstanding for more than 360 days.

The impairment loss for the period refers to allowance for impairment of trade receivables as described above.

The change in the value of loans past due beyond 360 days compared to 31 December 2015 and the utilization of the allowance for impairment in 2016 are mainly due to impairment of a receivable from a major customer, as a result of it being declared non-collectible.

During the year the Company did not recognise impairment losses on held-to-maturity investments.

The Company uses allowances for impairment to recognise the impairment losses on trade receivables and on held-to-maturity investments; however, when there is the certainty that the amount due cannot be recovered, the amount considered irrecoverable is written off directly from the related asset.

(b) Liquidity risk

The contractual maturities of financial liabilities, including interest to be paid and excluding the effects of the offsetting agreements, are shown in the following table:

Non-derivative financial liabilities	31 December 2016					
<i>(In thousands of EUR)</i>	Carrying amount	Contractual cash flows	6 months or less	6 – 12 months	2 - 5 years	More than 5 years
Senior loan – Tranche A	(28,571)	(29,912)	(9,151)	(4,011)	(16,750)	0
ICCREA-BCC Loan	(3,000)	(3,031)	(1,011)	(1,010)	(1,010)	0
Non-guaranteed bank loans and borrowings	(17,881)	(17,881)	(17,881)	0	0	0
Finance lease liabilities	(72)	(82)	(6)	(7)	(69)	0
Trade payables	(8,117)	(8,117)	(8,117)	0	0	0
Other payables	(27,647)	(28,375)	(28,375)	0	0	0
Employee benefits *	(33,235)	(33,235)	(33,235)	0	0	0
Total	(118,523)	(120,633)	(97,776)	(5,028)	(17,829)	0

Non-derivative financial liabilities	31 December 2015					
<i>(In thousands of EUR)</i>	Carrying amount	Contractual cash flows	6 months or less	6 – 12 months	2 - 5 years	More than 5 years
Senior loan – Tranche A	(34,337)	(37,502)	(3,468)	(3,431)	(30,603)	0
ICCREA-BCC Loan	(2,016)	(2,058)	(1,029)	(1,029)	0	0
Non-guaranteed bank loans and borrowings	(29,165)	(29,165)	(29,165)	0	0	0
Finance lease liabilities	(83)	(96)	(7)	(7)	(57)	(25)
Trade payables	(8,805)	(8,805)	(8,805)	0	0	0

Other payables	(23,284)	(23,284)	(23,284)	0	0	0
Employee benefits *	(27,291)	(27,291)	(27,291)	0	0	0
Total	(124,981)	(128,201)	(93,049)	(4,467)	(30,660)	(25)

* the item Employee benefits considers only short-term benefits that will be settled on average during the next year.

The cash flows included in the above-mentioned tables are not expected to occur significantly in advance or for considerably different amounts.

Please note that the contractual cash flows related to the Tranche B - Revolving of the senior loan outstanding as at 31 December 2016, unused to date, contractual cash flows will have a maximum duration of six months.

Derivative financial liabilities	31 December 2016					
<i>(In thousands of EUR)</i>	Carrying amount	Contractual cash flows	6 months or less	6 – 12 months	2 - 5 years	More than 5 years
Derivative instruments	(51)	(51)	0	(51)	0	0
Total	(51)	(51)	0	(51)	0	0

Derivative financial liabilities	31 December 2015					
<i>(In thousands of EUR)</i>	Carrying amount	Contractual cash flows	6 months or less	6 – 12 months	2 - 5 years	More than 5 years
Derivative instruments	(248)	(248)	0	(248)	0	0
Total	(248)	(248)	0	(248)	0	0

- **Cash flow hedges**

The expected cash flows associated with cash flow hedging derivative financial instruments are exclusively related to interest rate swaps partially hedging the outstanding senior loan, shown in the previous tables.

(c) Interest rate risk

Floating rate financial liabilities are summarised below:

<i>(In thousands of EUR)</i>	2016	2015	Change
Non-guaranteed bank loans and borrowings	17,881	29,165	(11,284)
Tranche A Senior Loan	28,571	34,337	(5,766)
ICCREA-BCC Loan	3,000	2,016	984
Finance lease liabilities	72	83	(11)
Total financial liabilities	49,524	65,601	(16,077)

If the interest rates payable had increased by 1% at the reporting date, the equity and the net profit for the year would have been negatively affected, gross of the related tax effect, by an approximate amount of EUR 500 thousand. However, the potential effect of extreme circumstances that cannot be reasonably foreseen remains excluded.

Derivative contracts hedging the risk of interest rate change were put in place on part of the Senior Loan, which entails the application of an average fixed rate of approximately 3.00 % for the hedged part.

The Company does not recognise any fixed-rate financial asset or liability designated at fair value through profit or loss and does not designate the derivative instruments (interest rate swaps) as hedging instruments using the fair value hedge method. Consequently, any changes in interest rates at the reporting date would have no effect on the profit or loss for the year, in addition to that indicated above.

(d) Fair value

- **Fair value and carrying amount**

The following table shows the carrying amount recorded in the statement of financial position and the fair value of each financial asset and liability:

<i>(In thousands of EUR)</i>	2016		2015	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Held-to-maturity investments	14	14	34	34
Trade receivables, other receivables and tax assets	108,934	108,934	90,981	90,981
Cash and cash equivalents	6,411	6,411	20,021	20,021
Finance lease liabilities	(72)	(72)	(83)	(83)
Tranche A Senior Loan	(28,571)	(28,571)	(34,337)	(34,337)
ICCREA-BCC Loan	(3,000)	(3,000)	(2,016)	(2,016)
Non-guaranteed bank loans and borrowings	(17,881)	(17,881)	(29,165)	(29,165)
Derivative instruments (IRS)	(51)	(51)	(248)	(248)
Trade payables, other payables and tax liabilities	(35,918)	(35,918)	(32,923)	(32,923)
Employee benefits	(33,961)	(33,961)	(28,072)	(28,072)
Total	(4,095)	(4,095)	(15,808)	(15,808)

- **Methods for determining the fair value**

The methods and main assumptions used for determining the fair value of the financial instruments are shown below:

- *Non-derivative financial liabilities*

Bank loans and borrowings and other financial liabilities bear interest at floating rate and therefore, also considering that they are indicated net of the related charges, significant differences between the carrying amount and fair value were not identified.

- *Derivative financial liabilities*

The fair value of Interest Rate Swaps is determined by using the prices of the financial intermediary with whom the contract was signed.

- *Trade and other receivables*

The fair value of trade receivables and of other receivables is estimated based on future cash flows discounted using market interest rates at the end of the reporting period. The fair value corresponds to the carrying amount as it already reflects the impairment.

Note 13 provides information concerning the interest rates used for discounting the expected cash flows, where applicable, to the elements listed in the above table, being mainly used for calculating the financial liabilities at amortised cost.

- *Fair value hierarchy*

The following table shows the financial instruments recognised at fair value based on the valuation technique used. The different levels were defined as follows:

Level 1: (unadjusted) prices quoted in identical asset or liability markets

Level 2: inputs other than quoted market prices defined in Level 1, which are observable for the asset or the liability, either directly (as in the case of prices), or indirectly (or derived from the prices)

Level 3: inputs relating to the asset or liability which are not based on observable market data (data not observable)

<i>(in thousands of EUR)</i>	31 December 2016	31 December 2015
Hedging IRS		
Level 1	0	0
Level 2	(51)	(248)
Level 3	0	0
Total	(51)	(248)

31. Operating leases

The Company, for the purposes of its business, makes use of several operating leases, especially for car rental and building lease. Normally, the duration of the lease is 4 years.

During the year ended 31 December 2016, costs of EUR 1,247 thousand (EUR 1,262 thousand in 2015) were recognised in profit or loss in relation to operating leases for cars.

To classify leases, reference made to the reference accounting policies.

Future minimum payments resulting from irrevocable leases are as follows:

<i>(In thousands of EUR)</i>	2016	2015	Change
Due within one year	843	900	(57)
From one to five years	893	960	(67)
Total	1,736	1,860	(124)

32. Related parties

Some members of the Board of Directors hold a position in other entities and may be able to exercise control or significant influence over the financial and management policies of such entities.

The relationships between the Company and related parties, as identified on the basis of the criteria defined in IAS 24 - Related Party disclosures - are mainly of a trading nature.

During the year, the Company carried out transactions with some of the above-mentioned entities as shown below. The general conditions governing these transactions were carried out in respect of and in line with normal market conditions.

In accordance with art. 2391-bis of the Italian Civil Code and the OPC Regulations containing provisions on related party transactions, the Board of Directors approved on 12 October 2015, and subsequently amended on 6 November 2015, the related party transactions policy and procedure.

Total transactions and residual balances are as follows:

Description	<i>(in thousands of EUR)</i>	Total 2016	Subsidiaries	Other related parties	Total related parties	% weight on financial statement items
1	Revenue	455,991	374	9	383	0.1%
2	Employee costs	25,910	33	1,842	1,875	7.2%
3	Costs for services	27,093	1,455	340	1,795	6.6%
4	Financial income	2,245	2,100	0	2,100	93.5%

Description	<i>(in thousands of EUR)</i>	Total 2015	Subsidiaries	Other related parties	Total related parties	% weight on financial statement items
1	Revenue	428,491	452	8	460	0.1%
2	Employee costs	25,643	0	1,769	1,769	6.9%
3	Costs for services	25,852	1,081	379	1,460	5.6%
4	Financial income	1,693	1,600	0	1,600	94.5%

Description	<i>(in thousands of EUR)</i>	Total 2016	Subsidiaries	Other related parties	Total related parties	% weight on financial statement items
1	Equity investments	1,566	1,566	0	1,566	100%
2	Receivables	102,311	19	1	20	0.0%
3	Other receivables	6,307	274	0	274	4.3%
4	Trade payables	8,117	7	49	56	0.7%
5	Other payables	27,647	37	0	37	0.1%

Description	<i>(in thousands of EUR)</i>	Total 2015	Subsidiaries	Other related parties	Total related parties	% weight on financial statement items
1	Equity investments	1,454	1,454	0	1,454	100%
2	Receivables	84,072	43	1	44	0.1%
3	Other receivables	6,521	188	0	188	2.9%
4	Trade payables	8,805	0	61	61	0.7%
5	Other payables	23,284	70	0	70	0.3%

In the opinion of the Related Parties Committee, from 2016 Timiopoli S.r.l. should no longer be considered a related party following the termination of Ivano Tognassi from the office of Director of Openjobmetis S.p.A.. In May 2016, Chairman Marco Vittorelli was appointed Chairman of Pallacanestro Varese S.p.A. and said entity was subsequently considered a related party in 2016; therefore, in view of the above-mentioned modifications, the previous year's amount was adjusted for comparability with the current year.

The item Revenue from Subsidiaries includes amounts charged to the Group companies Openjob Consulting S.r.l. for EUR 206 thousand (EUR 264 thousand in 2015), Seltis S.r.l. for EUR 123 thousand (EUR 121 thousand in 2015) and Corium S.r.l. for EUR 45 thousand (EUR 67 thousand in 2015). These charges relate mainly to service supplied in favour of the subsidiaries for administrative, management and staff supply tasks and charges for seconded staff. The receivable from group companies amounted to EUR 8 thousand in 2016 (EUR 25 thousand in 2015) from Openjob Consulting s.r.l., to EUR 11 thousand in 2016 (EUR 0 thousand in 2015) from Corium s.r.l. and to EUR 0 thousand in 2016 (EUR 18 thousand in 2015) from Seltis s.r.l.

The item Revenues from Other related parties includes charges of EUR 9 thousand (EUR 8 thousand in 2015) for the supply of staff to the company Pallacanestro Varese S.p.A. The receivable from Pallacanestro Varese S.p.A. amounts to EUR 1 thousand at 31 December 2016 (EUR 1 thousand at 31 December 2015).

The item Personnel expense related to Subsidiaries includes cost of seconded staff in group companies in the amount of EUR 22 thousand in 2016 (EUR 0 in 2015) charged by Seltis S.r.l. and EUR 11 thousand in 2016 (EUR 0 in 2015) from Openjob Consulting s.r.l.; the item Personnel expense related to Other related parties includes costs equal to EUR 1,186 thousand in 2016 (EUR 1,101 thousand in 2015) for the Board of Directors, EUR 455 thousand in 2016 (EUR 530 thousand in 2015) for Key management personnel and EUR 201 thousand in 2016 (EUR 138 thousand in 2015) for salaries paid to close relatives of the latter.

The item Costs for services related to Subsidiaries includes the costs charged by the subsidiary Openjob Consulting S.r.l. in the amount of EUR 1,228 thousand (EUR 1,065 thousand in 2015) for payslip processing costs for temporary workers, EUR 221 thousand for the purchase of services by the subsidiary Corium srl to deliver to their customers (EUR 0 thousand in 2015) and EUR 6 thousand (EUR 16 thousand in 2015) charged by the subsidiary Seltis S.r.l. The payable towards Seltis s.r.l. at 31 December amounts to EUR 7 thousand (EUR 0 at 31 December 2015).

Costs for services towards Other related parties were EUR 340 thousand in 2016 (EUR 379 thousand in 2015) and relate mainly to sponsorship of this sports company for the 2015-2016 sporting season. The payable to Pallacanestro Varese S.p.A. amounts to EUR 49 thousand at 31 December 2016 (EUR 61 thousand at 31 December 2015).

The item Financial income from Subsidiaries, equal to EUR 2,100 thousand (EUR 1,600 thousand in 2015), refers to the dividend paid by Openjob Consulting S.r.l. in the amount of EUR 1,700 thousand (EUR 1,600 thousand in 2015) and by Seltis S.r.l. in the amount of EUR 400 thousand in the course of 2016 (Euro 0 thousand in 2015). The income was collected in full in the course of the year.

The item Other receivables includes the Company's receivables from group companies for participation in the domestic tax consolidation scheme in the amount of EUR 274 thousand at 31 December 2016 (EUR 56 thousand at 31 December 2015) from Openjob Consulting s.r.l. and EUR 0 thousand at 31 December 2016 (EUR 132 thousand at 31 December 2015) from Seltis s.r.l. .

The item Other payables includes the Company's payables from group companies for participation in the domestic tax consolidation scheme in the amount of EUR 18 thousand at 31 December 2016 (EUR 70 thousand at 31 December 2015) from Corium S.r.l. and EUR 19 thousand at 31 December 2016 (EUR 0 thousand at 31 December 2015) from Seltis S.r.l.

For the item Equity investments, see Note 6 of this document.

In the course of normal business, the Company has provided staff supply services to other related parties not shown in the table above because they are not significant and were concluded under normal market conditions.

33. Remuneration of members of the Board of Directors, key management personnel and members of the Board of Statutory Auditors.

The general conditions that regulate the transactions with key management personnel and their related parties were not more favourable than those applied, or that could reasonably be applied, in the case of similar transactions with non-key management personnel associated with the same entities at normal market conditions.

The total remuneration of key management personnel, recorded in the item Personnel expense and costs for services, amounted to EUR 1,641 thousand, of which EUR 1,186 thousand to

members of the Board of Directors and EUR 455 thousand for key management personnel (EUR 1,631 thousand as at 30 June 2015, of which EUR 1,101 thousand to members of the Board of Directors and EUR 530 thousand for key management personnel). In addition to salaries, the Company also offers certain key management personnel benefits in kind according to the ordinary contractual practice for company managers. Please note that, at the end of the reporting period, there are no other defined benefit plans following the termination of the employment relationship, loans or share-based payments made to those managers. It should also be noted that the remuneration to certain Directors is paid to Wise S.g.r. and Quaestio Capital Management S.g.r. rather than to each beneficiary, according to an agreement between them and the aforesaid companies, for a total amount of EUR 185 thousand (EUR 130 thousand in 2015).

For more information regarding fees paid to said managers, reference is made to the 2016 Remuneration Report published in the “Corporate Governance” section of the parent’s website.

Fees paid to the Board of Statutory Auditors for 2016 amounted to EUR 88 thousand (EUR 54 thousand in 2015).

Total transactions and residual balances with said key management personnel and entities over which they exercise control or significant influence is as follows:

Remuneration (in thousands of EUR)	Remuneration for offices held	Non-monetary benefits	Bonuses and other incentives	Total compensation
Members of the Board of Directors	1,011	None	175	1,186
Key management personnel	380	None	75	455
Total	1,481	None	250	1,641

Remuneration (in thousands of EUR)	Remuneration for offices held	Non-monetary benefits	Bonuses and other incentives	Total compensation
Board of Statutory Auditors	88	None	0	88
Total	88	None	0	88

34. Atypical and/or unusual transactions

The financial statements as at 31 December 2016 do not show any income components or capital and financial items, whether positive or negative, arising from atypical and/or unusual events and/or transactions.

35. Subsequent events

During February 2017, the procedure to allocate bonus shares on the shares offered to employees during the IPO, was concluded.

Milan, 16 March 2017

For the Board of Directors

(signed on the original)

The Chairman

Marco Vittorelli

STATEMENT ON THE SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH ARTICLE 154-BIS OF LEGISLATIVE DECREE 58/98 AS AMENDED AND SUPPLEMENTED

1. We, the undersigned Rosario Rasizza, Managing Director, and Alessandro Esposti, Manager in charge of financial reporting of Openjobmetis S.p.A., hereby confirm, taking into account, *inter alia*, the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:

- the adequacy with respect to the characteristics of the business and
- the actual implementation of the administrative and accounting procedures for the preparation of the separate financial statements, as at and for the year ended 31 December 2016.

2. It should be noted, in this regard, that the adequacy of the administrative and accounting procedures used to prepare the separate financial statements as at and for the year ended 31 December 2016 was assessed on the basis of the assessment of the system of internal control for the audit of the processes directly or indirectly connected with the preparation of the accounting and financial statements data.

3. Moreover, we confirm that:

I. The separate financial statements as at 31 December 2016:

- accurately reflect the accounting books and records;
- have been prepared in accordance with the applicable international financial reporting standards endorsed by the European Union in compliance with Regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002 and the provisions adopted in implementation of Legislative Decree no. 38/2005;
- are suitable to provide a true and fair view of the financial position, results of operations and cash flows of the issuer.

II. The Report on Operations of the separate and consolidated financial statements includes a reliable analysis of the operating performance and results, as well as the situation of the issuer, the events that have occurred during the year and their impact on the separate financial statements, together with the description of the main risks and uncertainties to which the issuer is exposed. The Report on Operations also contains information on significant transactions with related parties.

Milan, 16 March 2017

The Managing Director

(signed on the original)

Rosario Rasizza

The Manager in charge of financial reporting

(signed on the original)

Alessandro Esposti



KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI
Telefono +39 02 6763.1
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

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

Independent auditors' report pursuant to articles 14 and 16 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Openjobmetis S.p.A.

Report on the separate financial statements

We have audited the accompanying separate financial statements of Openjobmetis S.p.A. (the "company"), which comprise the statement of financial position as at 31 December 2016, the statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the separate financial statements

The company's directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Independent auditors' responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA Italia) promulgated pursuant to article 11 of Legislative decree no. 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of separate financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.



Openjobmetis S.p.A.
Independent auditors' report
31 December 2016

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the separate financial statements give a true and fair view of the company's financial position as at 31 December 2016 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Report on other legal and regulatory requirements

Opinion on the consistency of the directors' report and certain information presented in the report on corporate governance and ownership structure with the separate financial statements

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion, as required by the law, on the consistency of the directors' report and the information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98, which are the responsibility of the company's directors, with the separate financial statements. In our opinion, the directors' report and the information presented in the report on corporate governance and ownership structure referred to above are consistent with the separate financial statements of Openjobmetis S.p.A. as at and for the year ended 31 December 2016.

Milan, 24 March 2017

KPMG S.p.A.

(signed on the original)

Giulio Capiaghi
Director of Audit

REPORT OF THE BOARD OF STATUTORY AUDITORS

OPENJOBMETIS S.p.A.

**Report of the Board of Statutory Auditors to the Shareholders'
Meeting pursuant to Art. 153 of Italian Legislative Decree no. 58/1998
and Art. 2429, para. 2 of the Italian Civil Code**

Milan, 24 March 2017

Dear Shareholders,

Pursuant to Art. 153 of Italian Legislative Decree no. 58/1998 (Consolidated Law on Finance - TUF) and Art. 2429, para. 2 of the Italian Civil Code, the Board of Statutory Auditors is required to report to the Shareholders' Meeting called to approve the financial statements on activities carried out during the year ended 31 December 2016, as well as on any omissions or censurable events that may have been found. In addition, the Board of Statutory Auditors has the right to formulate proposals in relation to the financial statements and their approval, as well as on other matters in the scope of its responsibility.

During the year, the Board of Statutory Auditors performed its supervisory duties according to the terms envisaged in governing regulations and in consideration of the standards of behaviour recommended by the Italian National Board of Chartered Accountants, as well as Consob guidelines.

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Appointment and meetings of the Board OF Statutory Auditors

The current Board of Statutory Auditors was appointed by the Shareholders' Meeting of 2 November 2015, effective from the initial trading day of the Company's shares on the Borsa Italiana's screen-based stock exchange (MTA), which occurred on 3 December 2015, and consists

of Roberto Tribuno (Chairman), Francesco Di Carlo, and Elena Analj Elda Marzi. The alternate auditors are Marzia Erika Ferrara and Stefania Bettoni.

The Board of Statutory Auditors, thus composed, held 14 meetings during 2016, as well as 4 meetings in 2017 up to the date this Report was drafted. Furthermore, the entire Board of Statutory Auditors, or in any case some of its members, participated in all meetings of the Board of Directors, Control and Risk Committee, Related Party Committee, and Remuneration Committee.

The Board of Statutory Auditors is responsible for supervising the independence of its members. Specifically, the Board verified that its members continued to meet independence requirements (Application Criterion 8.C.1.) during the year. In carrying out this assessment, the Board applied (among other things) all criteria envisaged by the Corporate Governance Code in reference to directors' independence (Application Criterion 8.C.1). The verifications performed had a positive result.

Significant events during the year

Note that during the year, the company was listed on the Italian stock exchange in the Star segment on 3 December 2015, which represented an important step in allowing the company to be able to find sources for the financing necessary to continue on the path of development and growth, both in terms of internal lines as well as external lines, through analysing the market for possible targeted acquisitions.

For a complete description of the significant events that occurred in the year ended 31 December 2016, refer to the Board of Directors' Report on Group Operations that, to the extent of the knowledge of the Board of Statutory Auditors, provides a complete overview of the most important events for Openjobmetis Group.

Atypical or unusual transactions

According to Communication no. DEM/6064293 of 28 July 2006, atypical or unusual transactions are *those that, due to significance/relevance, nature of the counterparty, subject of the transaction, method of calculating the transfer price, and timing of the event (near to a year-end closing), may give rise to doubts concerning: the accuracy/completeness of financial statement information, conflicts of interest, the safeguarding the company's assets, and the protection of minority shareholders.*

Within the scope of activities performed by the Board of Statutory Auditors, there were no atypical or unusual transactions.

Intragroup and related party transactions

Firstly, note that the company was listed on 3 December 2015 and, consequently, adopted the Procedure for Transactions with Related Parties, as the company implemented and applied relevant regulations in 2016 as the first effective full year.

Pursuant to Art. 2391-*bis* of the Italian Civil Code and the Regulation on Transactions for Related Parties approved with Consob Resolution no. 17221 of 12 March 2010, the company prepared the “Procedure for Transactions with Related Parties” and established the “Related Parties Committee”.

Prior to this, the company had already voluntarily adopted a procedure aimed at regulating relationships with related parties, which is still in effect and supplementary to that adopted in accordance with Consob’s regulatory provisions.

The Board of Statutory Auditors believes that the adopted procedure conforms to the provisions in the Consob Regulation for Transactions with Related Parties. During the year, the Board of Statutory Auditors, together with the Related Parties Committee, acted to raise awareness within the relevant business functions regarding the obligations deriving from the procedure, in particular in relation to the timely communication to said committee of transactions that fall under its scope. This led to training activities for these functions on the obligations deriving from the procedure, and more generally, the relevant regulations for transactions with related parties.

Note that, with the resolution of 3 December 2015, the Board of Directors appointed the members of the Related Parties Committee, which met 8 times in 2016 with the Board of Statutory Auditors.

During 2016, to the extent of this Board’s knowledge, several intragroup transactions were carried out by the company in relation to general management, accounting and administrative assistance, management control, personnel management, sales management, credit recovery, EDP services, call centres, purchasing, and personnel administration with the following companies:

1. Seltis S.r.l. – company specialising in personnel recruitment.
2. Corium S.r.l. – company specialising in personnel placement.
3. Openjob Consulting S.r.l. – company focused on supporting the parent on activities related to managing payroll and activities associated with training personnel.

Moreover, during 2016, to the extent of this Board’s knowledge, several transactions were undertaken by the company with related parties that required, in accordance with the Procedure for Transactions with Related Parties, the involvement of the Related Parties Committee, which mainly consisted of:

1. sponsorship relationships;
2. EDP information technology consulting services.

A detailed disclosure on related party transactions is contained in the Board of Directors’ Report on Group Operations and explanatory notes to the consolidated financial statements as at 31

December 2016, as well as in the Board of Directors' Report on Operations and explanatory notes to the separate financial statements as at 31 December 2016.

Supervisory activities pursuant to the Consolidated Accounting Audit Law

The Board of Statutory Auditors, identified as the Control and Risk Committee for Accounting Audit in accordance with Italian Legislative Decree no. 39/2010, is required to provide oversight on: (i) the financial reporting process; (ii) effectiveness of the internal control, internal audit, and risk management system; (iii) accounting audit of annual accounts and consolidated accounts; and (iv) independence of the audit company, in particular with regard to providing services other than auditing to the entity subject to accounting audit.

With Italian Legislative Decree no. 135/2016, certain amendments were made to Italian Legislative Decree no. 39/2010 that also affect the activities the Board of Statutory Auditors must perform, as the Control and Risk Committee pursuant to said decree, effective from the year currently underway but not with regard to the year that is the subject of this Report.

The following results emerged from the activities performed by the Board of Statutory Auditors.

i) Supervisory activities on the financial reporting process

The Board of Statutory Auditors verified that there was an adequate process for “drafting” and “communicating” financial information, including as part of the first meetings with the Manager in charge of preparing company financial reports and the Head of the Internal Audit Unit (who, in turn, performs verifications on the financial reporting process), obtaining confirmation from them that the reporting process is also adequate for subsidiaries, in accordance with Art. 114, para. 2 of Italian Legislative Decree no. 58/98.

The verification activities did not uncover any gaps or issues to be submitted to the Shareholders' Meeting.

ii) Supervisory activities on the effectiveness of the internal control, internal audit, and risk management system

With its resolution of 3 December 2015, the Board of Directors appointed the members of the Control and Risk Committee, which performed its activities in 2016, collaborating with the Board of Statutory Auditors.

From the time it was established, the Board of Statutory Auditors has participated in all of the meetings of the Control and Risk Committee and held joint control meetings with the committee, ensuring that there was a constant exchange of information on the activities carried out by the two bodies.

During 2016, the Board met with the Head of the Internal Audit Unit, together with the Control and Risk Committee, obtaining information on the audit plan, its execution, and the relative results and corrective measures undertaken.

The Board determined that the Internal Audit plan was adequate, reserving the right to evaluate and assess the continuity of its implementation in 2017, and in general, the functioning of the company's internal control system, compliance with the law, procedures, and business processes, as well as the implementation activities of the relative improvement plans. In consideration of the fact that the three subsidiaries do not have independent Internal Audit Units and control bodies, the Board attaches great importance that the activities performed by the Internal Audit oversights are adequate for the entire perimeter of the Group.

The Board of Statutory Auditors met and discussed the fundamental issues that emerged from the accounting audit with the Audit Company, pursuant to Art. 19, para. 3 of Italian Legislative Decree no. 39/2010. The Audit Company informed the Board of Statutory Auditors that there were no significant gaps in the internal control system in relation to financial reporting.

The Board of Statutory Auditors met with and received assurances from the company's Head of the Internal Audit Unit on the adequacy of the currently available resources, including with regard to the 2017 audit plan.

Based on information provided to the Board of Statutory Auditors from the Control and Risk Committee and the Head of the Internal Audit Unit, it was discovered that the powers, resources, and tools made available by the company's Board of Directors to the Head of the Internal Audit Unit are suitable and adequate.

It will be the responsibility of the Board of Statutory Auditors to monitor the adequacy over time of the resources that comprise the company's Internal Audit Unit and, hence, the company's internal control system.

Based on:

- i. the information presented by the Control and Risk Committee during meetings with the Board of Statutory Auditors as well as the Report issued by the Control and Risk Committee on the activities performed and on the internal control and risk management system of 30 January 2017;
- ii. the meeting with the Audit Company and the contents of the Report issued by the same on 24 March 2017, in accordance with Art. 19, para. 3 of Italian Legislative Decree no. 39/2010;

the Board of Statutory Auditors has determined that the internal control system as defined as part of the listing process is substantially adequate.

The company has assigned the role of Director in charge of the internal risk management system to the Managing Director, granting him/her the functions, duties, and powers set by Application Criterion 7.C.4 of the Corporate Governance Code;

This Board will be responsible for the company's risk management system over time.

iii) Supervisory activities on the accounting audit of annual accounts and consolidated accounts

The Board of Statutory Auditors met with the partners of the Audit Company (KPMG S.p.A.), with whom the appropriate exchange of information has been established. From the meetings held, we were informed on fundamental issues that emerged as part of the audit, as noted above.

As part of the exchange of information with the Audit Company (KPMG S.p.A.), the Board of Statutory Auditors received and acknowledged the content of the Report on Fundamental Issues that was published on 24 March 2017, which did not contain any significant gaps in the internal control system in relation to the financial reporting process, in accordance with Art. 19, para. 3 of Italian Legislative Decree no. 39/2010.

iv) Supervisory activities on the independence of the Audit Company, in particular regarding the rendering of non-audit services

The Board of Statutory Auditors verified the independence of the Audit Company, acknowledging the authorisation procedures adopted by KPMG with regard to the requests for professional services by companies in the Openjobmetis Group to companies belonging to the KPMG network. The current procedure allows oversight in advance of the assumption of mandates that may prejudice the independence of KPMG and is adequate with respect to market standards of which the members of the Board of Statutory Auditors are aware.

Furthermore, the Board of Statutory Auditors received from the Audit Company the annual independence confirmation, pursuant to Art. 17, para. 9, lett. a) of Italian Legislative Decree no. 39/2010, issued on XX March 2017 and reviewed the Transparency Report from KPMG.

The Audit Company provided the Board with the fees received by the same as well as by parties, including foreign, that belong to the KPMG network, highlighting the fees for activities other than the accounting audit.

During the year ended 31 December 2016, KPMG S.p.A. received from companies of Openjobmetis Group a total of EUR 221 thousand, divided as follows: EUR 170 thousand for accounting audit activities and EUR 51 thousand for other services. From 1 January 2017 to the date of this Report, KPMG S.p.A. has provided non-audit services to OpenjobMetis S.p.A. for a total amount of EUR 59 thousand. For additional information, refer to the Annual Report.

The rendering of non-audit services by companies belonging to the KPMG network for the Group does not, in our opinion, prejudice the independence of the Audit Company.

Separate and consolidated financial statements

In relation to the separate and consolidated financial statements as at 31 December 2016, and with the understanding that the responsibilities for the accounting audit and, thus, the opinion on the separate and consolidated financial statements are attributed exclusively to the Audit Company, KPMG, note that:

- the Board of Statutory Auditors supervised the Board of Directors' compliance with the procedural rules inherent in drafting the separate and consolidated financial statements, as well as their general approach and compliance with the law in terms of format and structure, and has no comments in that respect;
- the separate and consolidated financial statements as at 31 December 2016 were drafted based on IAS/IFRS international accounting standards issued by the International Accounting Standards Board (IASB) and approved by the European Union, effective as at 31 December 2016, which were duly described in the explanatory notes, which also indicated the standards, amendments, and interpretations approved by the European Union since 31 December 2015.
- the separate and consolidated financial statements correspond to the facts and information of which the Board of Statutory Auditors is aware from its participation in the meetings of the Board of Directors and the Executive Committee, as well as from performing its control activities;
- the provisions of Art. 154-*ter*, para. 1-*ter* of Italian Legislative Decree 58/98 were observed;

As indicated above, the Board of Statutory Auditors met with the Audit Company, KPMG, in order to continuously exchange information on the control activities performed by both the two parties. As part of these meetings, there were no critical issues that should be noted. The Board reviewed the Report prepared by the Audit Company on the separate and consolidated financial statements as at 31 December 2016 and acknowledged:

- the opinion on the separate and consolidated financial statements as at 31 December 2016 reported therein, showing they are compliant with regulations that discipline the drafting and accurate and fair representation of the economic and financial situation of the company and the net result of the year for both the separate and consolidated financial statements;
- the absence of reservations on the reporting;
- the opinion that the Board of Directors' Report on Operations and the Board of Directors' Report on Group Operations are consistent with the separate and consolidated financial statements, respectively, as well as on the information contained in the Report on Corporate Governance and the Ownership Structures, limited to the contents of Art. 123-*bis*, para. 1, letts. c), d), f), l), and n) and para. 2, lett. b) of Italian Legislative Decree no. 58/98.

Additionally, the Board of Statutory Auditors reviewed the Certification Report prepared by the Managing Director and the Manager in charge of preparing company financial reports, pursuant to Art. 154-*bis*, para. 5 of Italian Legislative Decree no 58/98 with regard to separate and consolidated financial statements and acknowledged the completeness of the relative content.

Report on Operations and Report on Group Operations

The Board of Statutory Auditors verified the contents of the Report on Operations and Report on Group Operations prepared by the Board of Directors. The Reports summarise the primary risks and uncertainties and the business outlook for the company and the Group.

As a result of reviewing the Reports, the Board of Statutory Auditors, to the extent of its knowledge, states that they are complete with respect to governing legal provisions and that the information therein is clear.

Additional activities of the Board of Statutory Auditors and reporting required by Consob

In executing its functions, the Board of Statutory Auditors, as prescribed in Art. 2403 of the Italian Civil Code and Art. 149 of the Consolidated Law on Finance, supervised compliance with the law and the Articles of Association and observance of the principles of proper administration, and, in particular, on the adequacy of the organisational, administrative, and accounting structure adopted by the company.

Pursuant to Art. 2405 of the Italian Civil Code, as indicated above, the Board of Statutory Auditors participated in all of the meetings of the Board of Directors and obtained from the Directors periodic communications on overall management performance, on the expected outlook, as well as on large financial transactions undertaken by the company, ensuring that the resolutions assumed were not manifestly imprudent, risky, in potential conflict of interest, in contrast to Shareholders' Meeting resolutions, or such as to compromise the integrity of the company's assets. The Board also participated in Shareholders' Meetings.

The Board of Statutory Auditors received and reviewed the Report on Corporate Governance and the Ownership Structures, which adequately and completely describes the adoption by the company of the Corporate Governance Code for listed companies.

With regard to corporate bodies, note that:

- as at the date of this Report, the Board of Directors, appointed on 3 December 2015, is comprised of 11 Directors, 3 of which meet the independence requirements envisaged in the Corporate Governance Code. During 2016, the Board of Directors held 9 meetings;
- the Control and Risk Committee, appointed on 3 December 2015, is comprised of 3 Directors, 2 of which meet the independence requirements envisaged in the Corporate Governance Code. During 2016, the Control and Risk Committee held 8 meetings. Some of the meetings were organised as joint meetings between the Board of Statutory Auditors and the Control and Risk Committee;
- the Remuneration Committee, appointed on 3 December 2015, is comprised of 3 Directors, 2 of which meet the independence requirements envisaged in the Corporate Governance Code. During 2016, the Remuneration Committee held 5 meetings, in order to review the compensation policy for executive directors holding specific offices and executives with strategic responsibilities;
- the Related Party Committee, appointed on 3 December 2015, is comprised of 3 Independent Directors. During 2016, the Committee met 9 times, to analyse and

evaluate the transactions with related parties, the possibility of a need to update the Procedure for Transactions with Related Parties and, thus, submit any amendments to the Board of Directors;

The Board of Statutory Auditors was able to verify that the Board of Directors, in assessing the independence of its non-executive members, correctly applied the criteria identified in the Corporate Governance Code and the principle of substance over form indicated therein. For this purpose, a procedure of transparent certification was followed, whose characteristics are described in the Report on Corporate Governance and the Ownership Structures for 2016.

By participating in the meetings of various corporate bodies, as envisaged in the Corporate Governance Code, the Board of Statutory Auditors was able to state that the administrative body carried out the various functions attributed to it. In addition, the Board was able to certify the correct functioning of the Control and Risk Committee, Remuneration Committee, and Related Party Committee (without prejudice to that which was described above regarding the awareness that was deemed appropriate for business functions in order to ensure its timely activation in accordance with the Procedure for Transactions with Related Parties), in relation to the provisions of the Corporate Governance Code and the Procedure for Transactions with Related Parties.

The Board of Statutory Auditors verified that it did not receive petitions and/or contributions from Independent Directors, and, more generally from Non-Executive Directors of the company during 2016 and up to the date of this Report.

As part of its certifications and to have a continuous exchange of information, in the brief period between its establishment and the drafting of this Report, the Board of Statutory Auditors met, as indicated above:

- the Audit Company, ensuring that there is a continuous exchange of information on the audits performed;
- the Head of the Internal Audit Unit, receiving information on the results of the activities performed;
- members of the Supervisory Body, established pursuant to Italian Legislative Decree no. 231 of 8 June 2001, receiving information on the results of supervisory activities performed;
- the Manager in charge of preparing company financial reports.

The Board of Statutory Auditors obtained from the Manager in charge of preparing company financial reports initial information on the company's administration and internal control system, assessed as effective and adequate, as well as on the general performance of business activities.

During the supervisory activities described above, we found no omissions, censurable events, or irregularities that would require reporting to the competent external control and supervisory bodies or mentioning in this Report.

During the year, there were no complaints as per Art. 2408 of the Italian Civil Code observed by or reported to the Board of Statutory Auditors.

During the Board of Directors' meeting on 16 February 2016, the Board of Statutory Auditors expressed a favourable opinion, in accordance with Art. 2389, para. 3 of the Italian Civil Code,

regarding the recognition of an extraordinary bonus to certain managers, in consideration of the activities performed in relation to the company's listing.

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In light of the above and to the extent of its responsibilities, the Board of Statutory Auditors does not find grounds that would impede the approval of the financial statements closed as at 31 December 2016, prepared by the Board of Directors, also given the report prepared by the Audit Company and the related opinion on the financial statements. Moreover, the Board of Statutory Auditors does not have any objections to formulate in relation to the proposals formulated by the Board of Directors to the Shareholders' Meeting.

(signed on the original)

The Board of Statutory Auditors

Roberto Tribuno

Francesco Di Carlo

Elena Marzi