Exor

2020 Half-year Financial Report

2020 HALF-YEAR FINANCIAL REPORT

This Report, and in particular the section "Review of Performance of the Operating Subsidiaries", contains forward-looking statements. These statements are not guarantees of future performance. Rather, they are based on the Group's Subsidiaries current state of knowledge, future expectations and projections about future events and are, by their nature, subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: the extent and duration of the Covid-19 pandemic's impact on supply chains, the Groups' production and distribution channel, demand in the Group's end markets, and the broader impact on financial markets and the global economy; change in the global financial markets, the general economic environment, changes in local economic and political conditions, changes in trade policy, the enactment of tax reforms or other changes in tax laws and regulations, volatility and deterioration of capital and financial markets including the possible effect of Brexit, terror attacks, weather, floods, earthquakes or other natural disasters, changes in government regulation, production difficulties, including capacity and supply constraints and many other risks and uncertainties, most of which are outside of the control of the Group's subsidiaries.

The 2020 Half-Year Financial Report is available on the corporate website at: www.exor.com

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Board of Directors

Chairman and Chief Executive Officer	John Elkann
Vice Chairman	Alessandro Nasi
Non-independent Directors	Andrea Agnelli
	Ginevra Elkann
Independent	
Senior non-executive Director	Marc Bolland
Non-executive Directors	Joseph Bae
	Melissa Bethell
	Laurence Debroux
	António Horta-Osório

Audit Committee

Melissa Bethell (*Chair*), Laurence Debroux and Ginevra Elkann

Compensation and Nominating Committee

António Horta-Osório (*Chair*), Joseph Bae and Alessandro Nasi

Independent Auditors

Ernst & Young Accountants LLP

Expiry of term of office

The Board of Directors was appointed on 20 May 2020. The Board's appointment term will expire concurrently with the shareholders' meeting that will approve the 2022 annual financial statements, hence in 2023.

KEY DATA

EXOR Group – Consolidated Data € million	I Half 2020	I Half 2019
Net Revenues	**46,791**	68,920
(Loss) profit before tax	**(3,376)**	3,809
Net (loss) profit from continuing operations	**(3,987)**	2,923
Net (loss) profit[(a)]	**(3,987)**	6,893
of which attributable to owners of the parent	**(1,318)**	2,427

(a) The result in the first half of 2019 included a profit of €3,970 million from discontinued operations, of which €3,809 million net of tax related to the disposal of Magneti Marelli.

EXOR Group – Consolidated Data – Shortened[(a)] € million	I Half 2020	I Half 2019
(Loss) profit attributable to owners of the parent	**(1,318)**	2,427
Share of earnings of investments and dividends	**(1,261)**	2,417
	30/06/2020	31/12/2019
Investments in subsidiaries and associates	**16,271**	17,551
Issued capital and reserves attributable to owners of the parent	**13,403**	15,025
Consolidated net financial position of EXOR's Holdings System	**(3,081)**	(2,631)

(a) The basis of preparation is presented in the section "Review of the Consolidated Results of the EXOR Group - Shortened".

Earnings per share (€)[(a)]	I Half 2020	I Half 2019
(Loss) profit attributable to owners of the parent – basic	**(5.69)**	10.45
(Loss) profit attributable to owners of the parent – diluted	**(5.69)**	10.40

(a) Additional details on the calculation of basic and diluted earnings per share are provided in Note 10 to the consolidated financial statements.

Dividend per share (€)	Paid in 2020	Paid in 2019
Dividend paid – Total € million	**99.6**	99.7
Per share	***0.43***	*0.43*

Other information	30/06/2020	31/12/2019
Net Asset Value - Total € million[(a) (b)]	**18,713**	23,282
Per share[(c)]	***79.25***	*98.60*
Market Capitalization - Total € million	**12,252**	16,648
Per share[(d)]	***50.84***	*69.08*
Issued capital and reserves attributable to owners of the parent - Total € million	**13,403**	15,025
Per share	***56.29***	*64.88*

(a) Alternative Performance Measure as defined on page 14.
(b) Equal to $20,955 million at 30 June 2020, $26,155 million at 31 December 2019.
(c) NAV per share at 30 June 2020 and at 31 December 2019 are based on 236,121,668 shares. Shares bought back in the context of the buyback program launched on 14 November 2018 are deducted from total issued shares.
(d) Market capitalization per share based on 241,000,000 total issued shares.

EXOR PROFILE

EXOR N.V. (“EXOR” or the “Company”) is listed on the *Mercato Telematico Azionario* managed by Borsa Italiana S.p.A. (MTA) and headquartered in Amsterdam, the Netherlands.

EXOR is registered in the Dutch companies’ register of the Chamber of Commerce (*Kamer van Koophandel*) under registration number 64236277. The registered office is Gustav Mahlerplein 25, 1082 MS, Amsterdam, the Netherlands, telephone number +31 (0) 202402220.

PROFILE

- EXOR is one of Europe's largest diversified holding companies, with a Net Asset Value (NAV)[1] of around \$21 billion (equal to approximately €19 billion) at 30 June 2020.
- For over a century, EXOR has made successful investments and built great companies worldwide with a culture that combines entrepreneurial spirit and financial discipline. EXOR's portfolio is principally made up of companies in which EXOR is a leading shareholder.
- EXOR is majority owned and controlled by Giovanni Agnelli B.V., the company grouping the descendants of Senator Giovanni Agnelli, the founder of FIAT, which holds 52.99% of its share capital.

PURPOSE

EXOR's purpose is to build great companies, while providing opportunities for its people to grow, make a positive contribution to society and deliver superior returns to its investors.

TO BUILD:

- Foster a culture with clarity of purpose and shared values
- Appoint leaders who walk the talk
- Create governance that ensures alignment of culture and actions

BUILD GREAT COMPANIES

GREAT COMPANIES:

- Perform to the highest standards
- Are distinctive in what they do
- Act in a responsible way
- Seek renewal and change

VALUES

AMBITION & HUMILITY	CURIOSITY & FOCUS
We set high aspirations but remain grounded	We seek new ideas while prioritising what matters
COURAGE & RESPONSIBILITY	**PATIENCE & DRIVE**
We take bold actions while being mindful of their consequences	We take a long-term perspective but are relentless in getting things done

OUR FINANCIAL PRIORITIES

- NAV per share to outperform the MSCI World index
- Financial strength and discipline, keeping LTV[2] ratio below 20%
- Generate Free Cash Flow in excess of dividends paid
- Cash Holding Cost as a percentage of Gross Asset Value below 10bps

(1) An Alternative Performance Measure as defined on page 14.
(2) Reference is made to the Loan-to-Value (LTV) ratio as defined by Standard and Poor's, which uses the LTV ratio to assess the financial risk profile of an Investment Holding Company, namely Adjusted Debt (or Gross Debt minus Cash and Equivalents) divided by Portfolio Value (or Gross Asset Value minus Cash and Equivalents), expressed as a percentage.

COMPANIES

Company	Description	Economic rights voting rights[1]	% on GAV[2]
PartnerRe	• Leading global pure-play reinsurer, with a broadly diversified and balanced portfolio of traditional reinsurance risks and capital markets risks. • PartnerRe commenced operations in 1993 and provides Non-life (Property & Casualty (P&C) and Specialty) and Life and Health reinsurance on a worldwide basis.	100% 99.54%	29.6%
Ferrari	• Ferrari is among the world's leading luxury brands, with unique world-class capabilities, and a vision built on its historic foundations and strengths. It focuses on the design, engineering, production and sale of the world's most recognizable luxury performance sports cars. • Ferrari is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index.	22.91% 35.82%	29.1%
FCA FIAT CHRYSLER AUTOMOBILES	• FCA is a global automotive group engaged in designing, engineering, manufacturing, distributing and selling vehicles, components and production systems worldwide through over a hundred manufacturing facilities and over forty research and development centres. • FCA is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index.	28.55% 44.42%	17.4%
CNH INDUSTRIAL	• CNHI is a leading global capital goods company engaged in the design, production, marketing, sale and financing of agricultural and construction equipment, trucks, commercial vehicles, buses and specialty vehicles as well as engines for different applications. • CNHI is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index.	26.89% 42.19%	9.9%
JUVENTUS	• Founded in 1897, it is one of the most prominent professional football teams in the world. • Juventus is listed on the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index.	63.77% 63.77%	3.4%
The Economist	• Leading source of analysis on international business and world affairs. Based in London and serving a global readership and client base, The Economist Group delivers its information through a range of formats, from newspapers and magazines to conferences and electronic services.	43.40% 20.00% (*) (*) Voting rights are limited to 20%	1.3%
GEDI GRUPPO EDITORIALE	• GEDI Gruppo Editoriale is the leading Italian media group, operating through a set of first tier media brands including newspapers and magazines, radio, digital and advertising.	86.4%[3] 89.6%[3]	0.9%

(1) Updated at 31 July 2020 (10 August 2020 for GEDI).
(2) At 30 June 2020.
(3) Held through the EXOR subsidiary Giano Holding owning 100% of GEDI from 10 August 2020.

SIGNIFICANT EVENTS IN THE FIRST HALF OF 2020

SIGNIFICANT EVENTS IN THE FIRST HALF OF 2020

Significant events below refer to EXOR N.V. and the Holdings System[(1)].

Covid-19 pandemic

During the first half of 2020, the Covid-19 virus spread worldwide and was declared a pandemic by the World Health Organization on 11 March 2020. The virus, causing potentially deadly respiratory tract infections, has negatively affected and continues to negatively affect economic conditions regionally as well as globally, disrupt operations in countries particularly exposed to the contagion, affect supply chains or otherwise impact EXOR's businesses.

Governments around the world imposed travel bans, quarantines, restrictions on travel and the movement and gathering of people, as well as restrictions on commercial activity and other emergency public safety measures, some of which are still applicable or partly withdrawn.

As the severity of the Covid-19 pandemic became apparent, EXOR companies took actions to protect their employees and communities, as well as strengthen their financial position and limit the impact on their financial performance. FCA, CNH Industrial and Ferrari temporarily suspended productions (as of today partially restarted) across the majority of their manufacturing plants and certain other activities and implemented remote working arrangements, where feasible, across all regions. In addition, all sport events and activities in which Juventus is involved were temporarily suspended and then restarted and completed in the second half of 2020.

These measures, though temporary in nature and only partially lifted as a function of the decisions adopted by the governments in countries where such companies operate, may either continue, be reintroduced or increase depending on future developments with regards to the pandemic which are currently unknown.

Given the uncertainty linked to market conditions and restrictions on operating activities that could be implemented as a result of the future evolution of the pandemic, Ferrari has revised its guidance for 2020, while FCA and CNH Industrial have withdrawn their 2020 guidance and decided not to distribute an ordinary dividend in 2020 in relation to fiscal year 2019. Such decisions, adopted by the board of directors of FCA and CNH Industrial, do not significantly impact the strength of EXOR's balance sheet.

The ultimate severity of the Covid-19 outbreak is uncertain at this time and therefore EXOR cannot reasonably estimate the impact it will have on its operations and results and on the operations and results of its operating subsidiaries.

Juventus Football Club capital increase

On 10 January 2020 Juventus Football Club completed the execution of the capital increase proposed by its board of directors on 30 September 2019 and approved by the extraordinary shareholder meeting on 24 October 2019, with a full subscription of the share capital increase. After this operation, EXOR (that subscribed its portion) continues to hold 63.77% of the share capital.

PartnerRe - Covéa

On 3 March 2020 EXOR signed a Memorandum of Understanding for the sale of PartnerRe to Covéa, a leading French mutual insurer.

The Memorandum of Understanding provided for EXOR to receive a total cash consideration of $9 billion plus a cash dividend of $50 million, to be paid before closing.

On 12 May 2020 EXOR communicated that its board of directors acknowledged Covéa's notice that Covéa would have not honored its commitment to acquire PartnerRe in accordance with the terms of the Memorandum. The EXOR board reiterated its strong belief that a sale of PartnerRe to terms inferior to those established in the Memorandum of Understanding failed to reflect the value of the company. EXOR reaffirmed its commitment to support PartnerRe's development and retain ownership of the company.

Investment in VIA Transportation Inc.

On 30 March 2020 EXOR signed an agreement with Via Transportation Inc. (Via), under which EXOR would invest a total amount of $200 million to acquire an 8.87% stake in Via on a fully-diluted basis. On 16 April 2020, following receipt of US antitrust approval, EXOR announced the completion of its investment.

Via is a highly successful, rapidly growing technology company specializing in the dynamic, data-driven optimization of public mobility systems in cities all around the world.

The business, founded in 2012 by Daniel Ramot and Oren Shoval, first launched its innovative technology platform by providing an on-demand, shared-ride transit service in New York City in 2013.

EXOR will support Via in the next stage of its development that will involve further extending the proven power of the Company's proprietary technology platform from the B2C to the B2B environment, changing the way people move around the cities wherever Via is present.

Issue of non-convertible bond due on 29 April 2030

On 29 April 2020 EXOR N.V. issued bonds for a nominal amount of €500 million, maturing on 29 April 2030 with a fixed annual coupon of 2.25%. The bonds are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market, with a BBB+ credit rating assigned by Standard & Poor's.

Acquisition of the controlling stake in GEDI Gruppo Editoriale S.p.A.

On 23 April 2020, following receipt of the approval from the competent authorities, EXOR, through its fully owned subsidiary Giano Holding S.p.A., finalized the acquisition of the stake in GEDI owned by CIR (43.78% of the issued share capital) for a total consideration of €102 million (at the price of €0.46 per share).
At the end of April 2020 Giano Holding also acquired the GEDI shareholdings owned by Mercurio S.p.A., Sia Blu S.p.A. and Giacaranda Maria Caracciolo di Melito Falck, at the price of €0.46 per share, for a total consideration of €26 million.
With the completion of the above transactions, EXOR acquired control over GEDI and launched, through Giano Holding S.p.A., a mandatory tender offer to acquire all of the ordinary shares of GEDI, at the price of €0.46 per share.
The mandatory tender offer successfully concluded on 30 June 2020 reaching the requirement for the delisting of GEDI in accordance with Italian law. At 30 June 2020 Giano Holding S.p.A. held 92% of the GEDI share capital (taking into account the treasury shares), for a total consideration of €207 million, including €14 million relating to shares previously held by EXOR.
For further information regarding the completion of the transaction and the delisting of GEDI, that occurred in August 2020, refer to section "Subsequent events and 2020 outlook".

Approved resolutions at the Annual General Meeting of Shareholders held on 20 May 2020

The EXOR Annual General Meeting held on 20 May 2020 adopted the 2019 Annual Report and approved the dividend distribution of €0.43 per outstanding share, for a maximum distribution of approximately €100 million.
The Annual General Meeting also approved the amendment of the remuneration policy of the board of directors to align such policy with the new statutory requirements of the EU Shareholder Rights Directive.
The Annual General Meeting also reappointed Mr. John Elkann as executive director with title Chief Executive Officer (CEO) and Chairman, for a term of three years. Additionally, the AGM reappointed for a term of three years Mr. M. Bolland as non-executive director with the title of Senior Non-Executive Director, and each of Mr. A. Agnelli, Mr. J. Bae, Ms. M. Bethell, Mrs. L. Debroux, Mrs. G. Elkann, Mr. A. Horta-Osório and Mr. A. Nasi as non-executive directors.
The Annual General Meeting also approved the extension of the authorization for the purchase of EXOR's shares on the market for 18 months from the date of the Shareholder's resolution, for a maximum number of shares such as not to exceed the limit set by law, with a maximum disbursement of €500 million.

EXOR credit rating by Standard & Poor's

On 27 May 2020 Standard & Poor's affirmed EXOR's long-term and short-term ratings ("BBB+" and "A-2" respectively) and revised the outlook to "stable" from "positive".

Reopening of non-convertible EXOR bond due on 14 October 2034

On 19 June 2020 EXOR announced reopening of its €300 million bonds issued on 14 October 2019 and due on 14 October 2034, increasing the amount by €200 million, with settlement date 23 June 2020. The new bonds, issued through a private placement to institutional investors with a fixed annual coupon of 1.75%, are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market, with a BBB+ credit rating assigned by Standard & Poor's.

(1) An Alternative Performance Measure as defined on page 18.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP

EXOR (and the subsidiaries constituting the Holdings System) together with its operating subsidiaries, constitutes the “EXOR Group” or the “Group”.

This section includes a selection of the most relevant financial data from the consolidated financial statements of the EXOR Group.

In order to ensure that data is coherent and uniform, it is presented based on EXOR consolidation rules and IFRS accounting standards and therefore may differ from the data published by subsidiaries in their financial reports.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP

Significant economic data[a]

€ million	FCA	CNH INDUSTRIAL	PARTNERRE	FERRARI	JUVENTUS	GEDI[b]	MINOR AND ADJUSTMENTS[c]	CONSOLIDATED
I Half 2020								
Revenues[d]	32,274	9,993	2,979	1,503	248	82	(288)	**46,791**
Net (loss) profit	(2,742)	(1,174)	(185)	175	(19)	(12)	(30)	**(3,987)**
Share of profit (loss) attributable to owners of the parent[e]	(781)	(324)	(185)	42	(12)	(11)	(47)	**(1,318)**
I Half 2019								
Revenues[d]	51,222	12,401	3,531	1,924	291	-	(449)	68,920
Net profit (loss)	5,271	579	690	364	(47)	-	36	6,893
Share of profit (loss) attributable to owners of the parent[e]	1,509	153	690	86	(30)	-	19	2,427

(a) Data prepared by each subsidiary for EXOR consolidation purposes, which may differ from data published by each subsidiary in its own financial report.
(b) Data referred to the period 1 May-30 June 2020.
(c) Includes the net result of EXOR, subsidiaries and associates of the Holdings System excluding the share of the profit of the operating companies presented in their respective columns. Further details are provided in the section Alternative Performance Measures on page from 14 to 19.
(d) PartnerRe: net premium for €2,862 million (€2,738 million in the first half of 2019) and the portfolio result and other revenues for €117 million (€793 million in the first half of 2019).
(e) EXOR share of the results attributable to the owners of the parent of each segment entity.

Net revenues

Net revenues of FCA for the first half of 2020 were €32,274 million with a decrease of €18,948 million (or 37%) compared to the first half of 2019 (€51,222 million) primarily due to lower volumes following the impact of Covid-19 in all markets.

Revenues of CNH Industrial for the first half of 2020 were €9,993 million, a decrease of €2,408 million compared to the first half of 2019 (€12,401 million) mainly due to the severe adverse Covid-19 impacts on supply chain and market conditions across all regions and segments, coupled with actions to reduce dealer inventory levels.

Net revenues of PartnerRe for the first half of 2020 were €2,979 million, a decrease of €552 million compared to the first half of 2019 (€3,531 million), principally due to the net result of the portfolio partially offset by an increase in net premiums earned.

Net revenues of Ferrari for the first half of 2020 were €1,503 million (€1,924 million in the first half of 2019). The decrease in cars and spares revenues was driven by the Covid-19 production suspension that led to lower deliveries, partially offset by deliveries of the Ferrari Monza SP1 and SP2 while the decrease in sponsorship, commercial and brand was impacted by the Covid-19 pandemic, including the temporary suspension and the related reduction of the Formula 1 season.

Net (loss) profit

In the first half of 2020 the net loss of FCA was €2,742 million, while in the first half of 2019 the result was a net profit of €5,271 million of which €3,970 million from discontinued operations principally due to the net gain on the disposal of Magneti Marelli (€3,809 million) and €1,301 million from continuing operations.
The Covid-19 pandemic had significant negative impacts on FCA's results: the contraction of global demand, temporary suspensions of production in all regions and closure of a majority of dealerships during the first half of 2020 significantly contributed to the reduction of combined shipments and the 43% drop in production, as compared to the same period in 2019.

In the first half of 2020 the net loss of CNH Industrial was €1,174 million (net profit of €579 million in the first half of 2019) and includes the pre-and after-tax goodwill impairment loss of €523 million, other assets impairment charges of €288 million (€237 million after-tax), as well as asset optimization charges of €256 million (€206 million after-tax).

The net loss of PartnerRe in the first half of 2020 was €185 million (net profit of €690 million in the first half of 2019) and includes €307 million of pre-tax losses, net of retrocession and reinstatement premiums, as a direct result of Covid-19 and the related effect of the economic downturn.

In the first half of 2020 the net profit of Ferrari was €175 million (€364 million) in the first half of 2019. The decrease was mainly attributable to a significant reduction of net revenues, due to a temporary suspension of production and shipments, as well as the changes to the format of the 2020 Formula 1 World Championship caused by the Covid-19 pandemic. As a consequence, also costs as a percentage of net revenues increased.

Significant financial data[(a)]

€ million	FCA	CNH INDUSTRIAL	PARTNERRE	FERRARI	JUVENTUS	GEDI[(b)]	MINOR AND ADJUSTMENTS[(c)]	CONSOLIDATED
30 June 2020								
Cash and cash equivalents	13,914	5,240	1,242	1,112	6	26	1,054	22,594
Total assets	94,057	41,784	23,171	5,859	1,180	687	1,565	168,303
Gross debt[(d)]	21,162	22,380	1,419	2,763	396	138	4,512	52,770
Total equity	24,900	6,746	6,845	1,347	260	274	(2,368)	38,004
Issued capital and reserves attributable to owners of the parent[(e)]	7,066	1,780	6,177	345	166	251	(2,382)	13,403
31 December 2019								
Cash and cash equivalents	15,014	5,140	1,321	898	137	-	425	22,935
Total assets	98,677	43,780	22,980	5,446	1,129	-	599	172,611
Gross debt[(d)]	13,219	22,729	1,476	2,105	464	-	3,506	43,499
Total equity	28,675	6,999	7,142	1,487	276	-	(2,020)	42,599
Issued capital and reserves attributable to owners of the parent[(e)]	8,173	1,852	6,477	378	176	-	(2,031)	15,025

(a) Data prepared by each subsidiary for EXOR consolidation purposes which may differ from data published by each subsidiary in its own financial report.
(b) Consolidated starting from 30 April 2020.
(c) Includes the data of EXOR and subsidiaries of the Holdings System excluding the share of the profit of the operating companies presented in their respective columns. Further details are provided in the section Alternative Performance Measures on page from 14 to 19.
(d) Gross debt referred to CNH Industrial includes industrial activities and financial services debt.
(e) EXOR share of the equity attributable to the owners of the parent of each segment entity.

Gross debt

€ million	30/06/2020	31/12/2019
Bonds	**19,062**	19,031
Borrowings from banks	**16,830**	7,562
Asset-backed financing	**10,719**	11,405
Payables represented by securities	**2,264**	1,899
Lease liabilities	**2,234**	2,180
Other financial debt and liabilities	**1,661**	1,422
Gross debt	**52,770**	43,499

During the first half 2020, EXOR and its subsidiaries took several key actions to secure their financial position, including drawing credit lines and facilities and securing additional incremental instruments to strengthen the available liquidity.
In particular, the gross debt at 30 June 2020 includes €1.8 million of the credit facility of €6.3 million signed by FCA with Intesa Sanpaolo to finance its activities in Italy, in accordance with the Italian Liquidity Decree following Covid-19 pandemic.

Cash flow

€ million	**I Half 2020**	I Half 2019
Cash and cash equivalents at the beginning of the period	**22,935**	19,136
Cash and cash equivalents at the beginning of the period included in Assets held for sale	17	719
Cash and cash equivalents at the beginning of the period	22,952	19,855
Cash flow from (used in) operating activities:	(6,071)	4,555
- continuing operations	*(6,071)*	*4,863*
- discontinued operations	-	*(308)*
Cash flow from (used in) investing activities	(3,550)	1,438
- continuing operations	*(3,550)*	*1,593*
- discontinued operations	-	*(155)*
Cash flow from (used in) financing activities	9,652	(3,422)
- continuing operations	*9,652*	*(3,747)*
- discontinued operations	-	*325*
Translation exchange differences	(376)	114
Net change in cash and cash equivalents	(345)	2,685
Cash and cash equivalents at the end of the period	**22,607**	22,540
Cash and cash equivalents at the end of the period included in Assets held for sale	**13**	-
Cash and cash equivalents at the end of the period	**22,594**	22,540

In the first half of 2020 the Group companies generated negative cash flows from the operating activities for €6,071 million and negative flows from investing activities for €3,550 million. Cash flows from investing activities mainly refer to the investments in property, plant and equipment and intangible assets for €4,584 million, investment in subsidiaries and associates for €500 million, other net investments of reinsurance companies for €470 million, partially offset by a net change in financial receivables for €1,628 million and in securities for €298 million.

In the first half of 2020 cash flow from financing activities was €9,652 million resulting primarily from the drawdowns of credit lines for €10,102 million, net of repayment of notes as well as other long-term debt.

In the first half of 2019 the Group companies generated positive cash flows from the operating activities for €4,555 million and from investing activities for €1,438 million. Cash flow from investing activities mainly related to the net cash deriving from the disposal of Magneti Marelli for €5,348 million, partially offset by the investments in property, plant and equipment and intangible assets for €3,988 million.

In the first half of 2019 net cash flow used in financing activities was €3,422 million, primarily related to dividends paid for €2,600 million, net change in financial debt for €1,441 million, partially offset by issuance of new notes, net of repayment for €664 million.

ALTERNATIVE PERFORMANCE MEASURES (APM)

This section presents the Alternative Performance Measures (APM) identified by EXOR's management to facilitate the understanding of the economic and financial performance of EXOR and the Group:

- Net Asset Value (NAV)
- Net Financial Position (NFP)
- Share of the (loss) profit of investments accounted for using the equity method

ALTERNATIVE PERFORMANCE MEASURES (APM)

To facilitate the understanding of the economic and financial performance of EXOR and of the Group, the Management of EXOR has identified a number of Alternative Performance Measures (APM), which are used to identify operational trends and to make investment and resource allocation decisions. To ensure that the APM are correctly interpreted it is emphasized that these measures are not indicative of the future performance of the Group. The APM are not part of international reporting standards (IFRS) and are unaudited. They should not be taken as replacements of the measures required under the reference financial reporting standards.
The APM should be read together with the consolidated financial information prepared using the shortened consolidation criterion. Since they are not based on the reference financial reporting standards, the APM used by EXOR may not be consistent and comparable with those used by other companies or groups. The APM used by EXOR have been consistently calculated and presented for all the reporting periods for which financial information is presented in this Report.

It should also be noted that the principal subsidiaries and associates make use of non-GAAP financial measures to illustrate their performance to the market. Such indicators are commonly used by analysts and investors in the sectors to which the subsidiaries belong to evaluate business performance. A description of how such indicators are calculated is provided by the individual subsidiary companies and these are included in the section Review of performance of the Operating Subsidiaries in the Board Report, as extracted from their respective published documents. Such information is prepared autonomously by the companies and is not homogeneous. Set out below are the main APM's identified by EXOR:

- Net Asset Value
- Net Financial Position
- Share of the (loss) profit of investments accounted for using the equity method.

Net Asset Value (NAV)

Definition and Methodology

Net Asset Value (NAV) corresponds to the total value of assets net of the Gross Debt of the Holdings System as defined below. In determining the total value of assets at 30 June 2020, listed equity investments and other securities are valued at official market trading prices, unlisted equity investments are valued at fair value, determined annually by independent experts at the end of the year. For PartnerRe, considering that the fair value at 31 December 2019 was aligned to the price under the Memorandum of Understanding signed with Covéa which subsequently decided not to conclude the transaction (waived on 12 May 2020), exceptionally the fair value at 30 June 2020 was updated and estimated by an independent expert.

Unlisted other investments (funds and similar instruments) are valued by reference to the most recent available fair value and bonds held to maturity are valued at amortized cost.

Treasury stock relates to the shares held in treasury before the Share Buyback Program launched on 14 November 2018. Treasury shares are valued at the official stock exchange price, except for the part designated to service stock option plans (measured at the option exercise price under the plan if this is less than the stock exchange price).

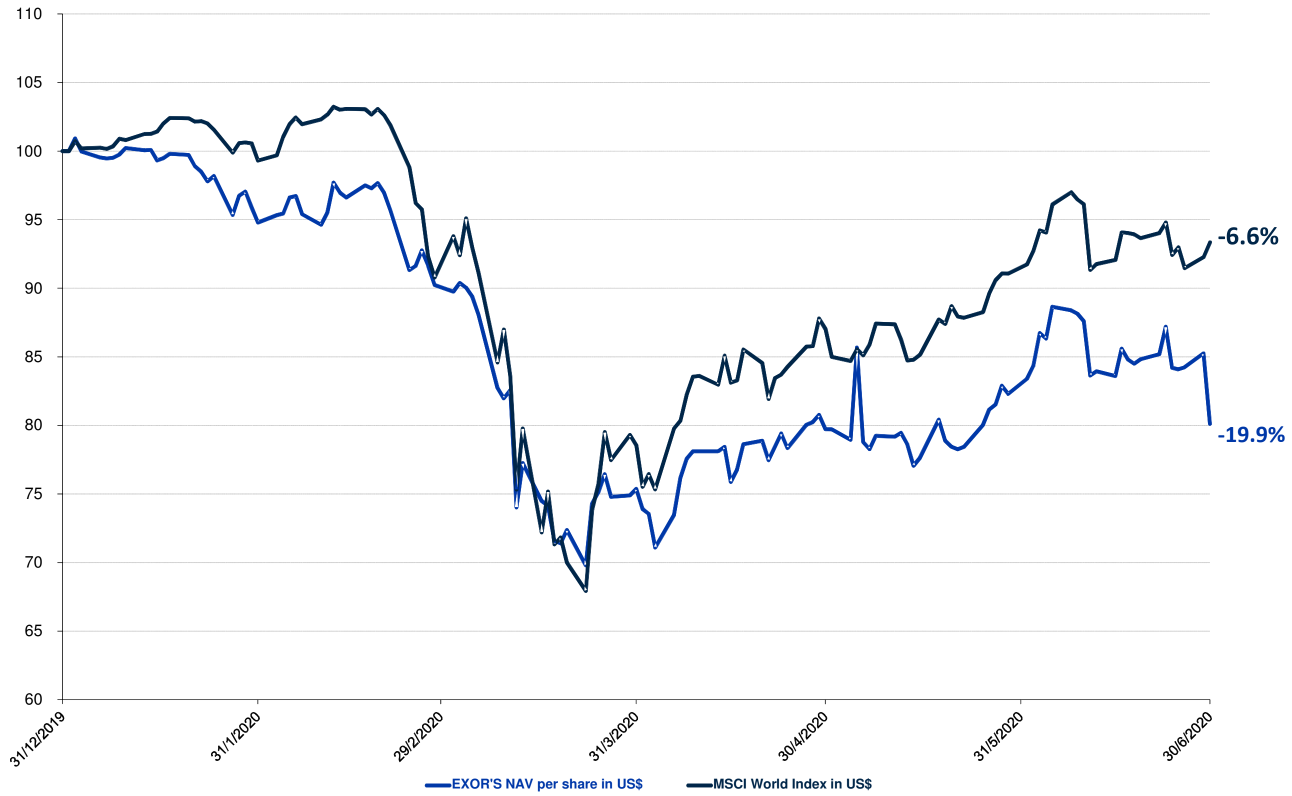
The sum of the aforesaid values constitutes the total value of assets (Gross Asset Value or GAV). Gross Debt corresponds to the total amount of the financial debt of the Holdings System.
Items included in the calculation of Gross Asset Value and Gross Debt which are denominated in foreign currencies are converted at the official exchange rates at the corresponding reporting date.

Highlights

- At 30 June 2020 EXOR's NAV is $20,955 million (€18,713 million) compared to $26,155 million (€23,282 million) at 31 December 2019.
- At 30 June 2020 EXOR's NAV per share amounts to $88.75 (€79.25) compared to $110.77 (€98.60) at 31 December 2019, a decrease of $22.02/share or -19.9%. This compares to a decrease of -6.6% for the MSCI World Index.

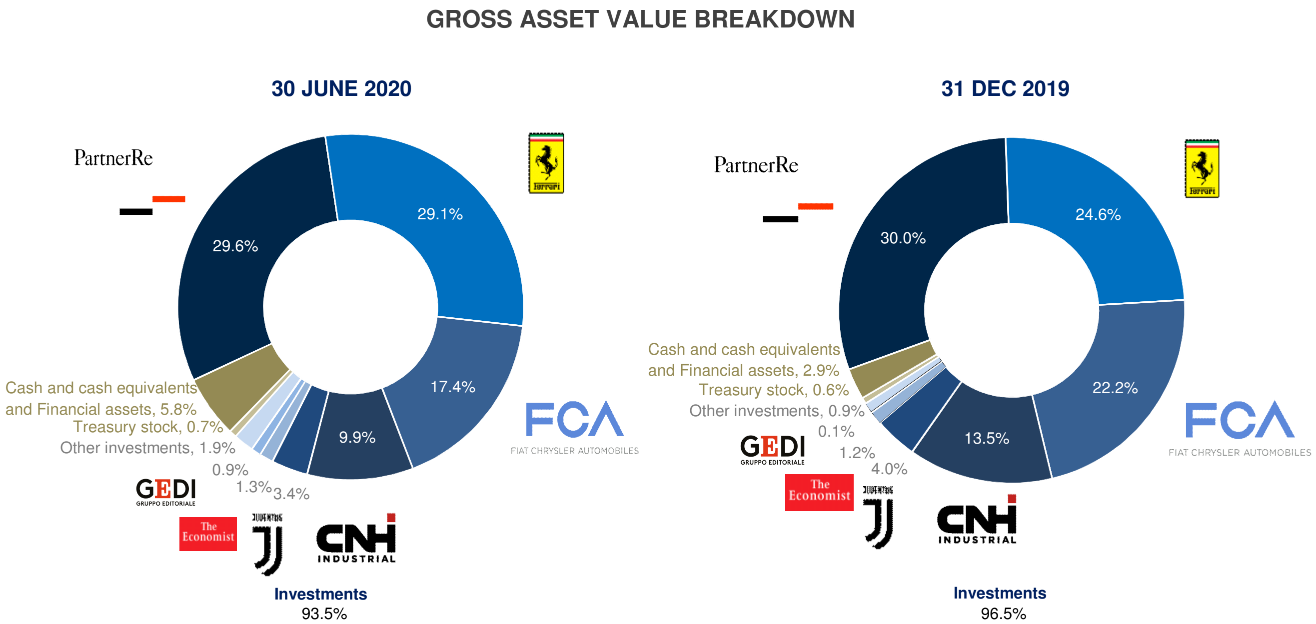
At 30 June 2020, the NAV per share is calculated taking into account market prices for listed companies and independent fair valuations for non-listed assets. NAV per share at 30 June 2020 and at 31 December 2019 are based on 236,121,668 shares. This is calculated based on 241,000,000 issued shares net of the shares bought back in the context of the share buyback program launched on 14 November 2018.

Change in the NAV per share compared to the MSCI World Index in U.S. Dollar



Gross Asset Value composition

The following chart illustrates the GAV composition at 30 June 2020 ($25,939 million or €23,164 million), compared to 31 December 2019 ($29,997 million or €26,702 million).



Note: Other investments exclude The Economist

Breakdown of Net Asset Value

US$ million	Ownership %	Valuation methodology	30/06/2020	31/12/2019	Change vs 31/12/2019 Amount	%
Investments			**24,236**	28,923	(4,687)	-16.2%
PartnerRe	100.00%	Fair value[a]	**7,680**	9,000	(1,320)	-14.7%
Ferrari	22.91%	Official market price	**7,556**	7,383	173	+2.3%
Fiat Chrysler Automobiles	28.67%	Official market price	**4,501**	6,661	(2,160)	-32.4%
CNH Industrial	26.89%	Official market price	**2,559**	4,036	(1,477)	-36.6%
Juventus Football Club	63.77%	Official market price	**878**	1,188	(310)	-26.1%
GEDI Gruppo Editoriale[b]	88.37%	Official market price	**232**	16	216	n.a.
Other investments[c]		Listed: at official market prices Unlisted: last available fair value	**830**	639	191	+29.9%
Other Assets			**1,703**	1,074	629	+58.6%
Cash and cash equivalents and Financial assets			**1,534**	886	648	+73.1%
Treasury stock[d]			**169**	188	(19)	-10.1%
Gross Asset Value			**25,939**	29,997	(4,058)	-13.5%
Gross Debt			**(4,984)**	(3,842)	(1,142)	+29.7%
Net Asset Value (NAV)			**20,955**	26,155	(5,200)	-19.9%
NAV per Share in US$[e]			**88.75**	110.77	(22.02)	-19.9%

(a) At 30 June 2020 the fair value has been determined by an independent expert. At 31 December 2019 the fair value was aligned with the price under the terms of the Memorandum of Understanding signed with Covéa.

(b) In April 2020 EXOR (through its subsidiary Giano Holding) acquired control over GEDI and launched a mandatory tender offer at €0.46 per share. At 30 June 2020, EXOR held 92% of the GEDI share capital (taking into account the treasury shares), for a total consideration of $232 million, including $16 million relating to shares previously held by EXOR.

(c) Other investments at 30 June 2020 include the stake in The Economist Group ($342 million), Via Transportation ($200 million), Welltec ($109 million), Exor Seeds ($83 million) and Perella Weinberg ($21 million), among others. Other investments at 31 December 2019 included the stake in The Economist Group ($368 million), Welltec ($108 million), Exor Seeds ($64 million), Perella Weinberg ($21 million) and financial investments ($3 million) among others. Financial investments previously classified under Other assets have been reclassified under Other investments for presentation purposes.

(d) Treasury stock includes shares held in treasury before the buyback program launched on 14 November 2018.

(e) Based on 236,121,668 shares at 30 June 2020 and at 31 December 2019 (netting out the 4,878,332 ordinary shares bought back in 2018 and 2019 in the context of the Share Buyback Program).

The value of the NAV in the Euro currency, converted at the official exchange rates at the respective dates, is presented below:

€ million	Ownership %	Valuation methodology	30/06/2020	31/12/2019	Change vs 31/12/2019 Amount	%
Investments			**21,643**	25,746	(4,103)	-15.9%
PartnerRe	100.00%	Fair value[a]	**6,858**	8,011	(1,153)	-14.4%
Ferrari	22.91%	Official market price	**6,747**	6,572	175	+2.7%
Fiat Chrysler Automobiles	28.67%	Official market price	**4,020**	5,930	(1,910)	-32.2%
CNH Industrial	26.89%	Official market price	**2,285**	3,592	(1,307)	-36.4%
Juventus Football Club	63.77%	Official market price	**784**	1,058	(274)	-25.9%
GEDI Gruppo Editoriale[b]	88.37%	Official market price	**207**	14	193	n.a.
Other investments[c]		Listed: at official market prices Unlisted: last available fair value	**742**	569	173	+30.4%
Other Assets			**1,521**	956	565	+59.1%
Cash and cash equivalents and Financial assets			**1,370**	789	581	+73.6%
Treasury stock[d]			**151**	167	(16)	-9.6%
Gross Asset Value			**23,164**	26,702	(3,538)	-13.2%
Gross Debt			**(4,451)**	(3,420)	(1,031)	+30.1%
Net Asset Value (NAV)			**18,713**	23,282	(4,569)	-19.6%
NAV per Share in Euro[e]			**79.25**	98.60	(19.35)	-19.6%

(a) At 30 June 2020 the fair value has been determined by an independent expert. At 31 December 2019 the fair value was aligned with the price under the terms of the Memorandum of Understanding signed with Covéa.
(b) In April 2020 EXOR (through its subsidiary Giano Holding) acquired control over GEDI and launched a mandatory tender offer at €0.46 per share. At 30 June 2020, EXOR held 92% of the GEDI share capital (taking into account the treasury shares), for a total consideration of €207 million, including €14 million relating to shares previously held by EXOR.
(c) Other investments at 30 June 2020 include the stake in The Economist Group (€306 million), Via Transportation (€179 million), Welltec (€97 million), Exor Seeds (€74 million) and Perella Weinberg (€19 million), among others. Other investments at 31 December 2019 included the stake in The Economist Group (€328 million), Welltec (€97 million), Exor Seeds (€57 million), Perella Weinberg (€19 million) and financial investments (€2 million) among others. Financial investments previously classified under Other assets have been reclassified under Other investments for presentation purposes.
(d) Treasury stock includes shares held in treasury before the Share Buyback Program launched on 14 November 2018.
(e) Based on 236,121,668 shares at 30 June 2020 and at 31 December 2019 (netting out the 4,878,332 ordinary shares bought back in 2018 and 2019 in the context of the Share Buyback Program).

Reconciliation with the IFRS financial statements

The following table shows the reconciliation between the Net Asset Value (NAV) and the issued capital and reserves attributable to owners of the parent.

€ million	30/6/2020	31/12/2019
Issued capital and reserves attributable to owners of the parent	**13,403**	15,025
Difference between the market value and the book value of the investments	**5,109**	8,095
Treasury stock and other	**201**	162
Net Asset Value (NAV)	**18,713**	23,282

The following table shows the difference between the market value and the book value of Investments:

	30/06/2020		31/12/2019	
€ million	**Book value**	**Market value**	Book value	Market value
PartnerRe[(a)]	**6,177**	**6,858**	6,477	8,011
Ferrari	**345**	**6,747**	378	6,572
FCA	**7,066**	**4,020**	8,173	5,930
CNH Industrial	**1,780**	**2,285**	1,852	3,592
Juventus Football Club	**166**	**784**	176	1,058
The Economist Group	**289**	**306**	323	328
GEDI[(b)]	**251**	**207**	14	14
Others	**455**	**431**	253	236
Total	**16,529**	**21,638**	17,646	25,741
Difference		*5,109*		*8,095*

(a) At 30 June 2020 the fair value is determined by an independent expert. At 31 December 2019 the fair value was aligned with the price under the terms of the Memorandum of Understanding signed with Covéa.
(b) At 30 June 2020 EXOR, at the end of the acceptance period of the mandatory tender offer launched to acquire all GEDI shares, held 449,505,575 shares in GEDI. At 31 December 2019 EXOR held 30,481,490 shares in GEDI.

Net financial position of the Holdings System

The net financial position of the Holdings System, determined by applying the shortened consolidation criterion, is a representative measure of the financial resources and commitments directly attributable to and managed by EXOR.

Using the shortened consolidation criterion adopted by EXOR, rather than the line-by-line method of consolidation required by law and under IFRS, the data derived from the financial statements or accounting data prepared in accordance with IFRS by EXOR and by the subsidiaries constituting the Holdings System - Exor Nederland N.V. (the Netherlands), EXOR S.A. (Luxembourg), Exor Investments Limited (United Kingdom), Exor Investment (UK) LLP (United Kingdom), Ancom USA Inc. (USA), Exor SN LLC (USA) - are consolidated in the financial statements of the parent company EXOR using the line-by-line method, while the data derived from the financial statements or accounting data prepared in accordance with IFRS of the operating subsidiaries and associates (PartnerRe, Ferrari, CNH Industrial, Juventus Football Club, GEDI, Exor Seeds, The Economist Group and Welltec) are included in the consolidated financial statements of the parent company EXOR using the equity method.

The presentation of financial data under the shortened consolidation method facilitates the analysis of the financial position and results of EXOR and it is generally recognized by the financial community, including financial counterparties and rating agencies.

Nevertheless, such data do not fully represent, nor should be treated as the consolidated financial position of the EXOR Group prepared in accordance with International Financial Reporting Standards (IFRS). In fact, the shortened consolidation method is not contemplated in the reference accounting standards on the presentation of consolidated financial statements and may not be consistent with the method adopted by other groups and, therefore, such data may not be comparable with the data reported by such groups. The consolidated data prepared in shortened form are not audited by the independent auditors.

Set out below are the data relating to the net financial position prepared in shortened consolidation form:

€ million	30/06/2020	31/12/2019
Financial assets and financial receivables	**325**	366
Cash and cash equivalents	**1,045**	423
Cash, cash equivalents and financial assets	**1,370**	789
EXOR bonds	**(4,083)**	(3,391)
Bank debt	**(335)**	-
Other financial liabilities	**(33)**	(29)
Gross debt	**(4,451)**	(3,420)

The reconciliation of the consolidated cash and cash equivalents of EXOR Group with the consolidated cash and cash equivalents of the Holdings System is as follows:

€ million	30/06/2020	31/12/2019
Cash and cash equivalents[(a)]	**22,594**	22,935
(Less) Cash and cash equivalents of the operating subsidiaries accounted for using the equity method in the Holdings System	**(21,549)**	(22,512)
Financial assets and financial receivables	**325**	366
Cash, and cash equivalents and financial assets of the Holdings System	**1,370**	789

(a) GAAP measure.

The reconciliation of the consolidated gross debt of EXOR Group with the consolidated gross debt of the Holdings System is as follows:

€ million	30/06/2020	31/12/2019
Gross debt[(a)]	**(52,770)**	(43,499)
(Less) Gross debt of the operating subsidiaries accounted for using the equity method in the Holdings System	**48,319**	40,079
Gross debt of the Holdings System	**(4,451)**	(3,420)

(a) GAAP measure.

Share of the (loss) profit of investments accounted for using the equity method

The composition of the share of the (loss) profit of investments accounted for using the equity method is as follows:

€ million	I Half 2020	I Half 2019	Change
PartnerRe	**(185)**	690	(875)
Ferrari	**42**	86	(44)
FCA[(a)]	**(781)**	1,509	(2,290)
CNH Industrial	**(324)**	153	(477)
Juventus Football Club	**(12)**	(30)	18
The Economist Group	**7**	8	(1)
GEDI[(b)]	**(11)**	-	(11)
Other	**3**	2	1
	(1,261)	2,418	(3,679)
Adjustments	**0**	(1)	1
Share of the (loss) profit of investments accounted for using the equity method	**(1,261)**	2,417	(3,678)

(a) In the first half of 2019 included the net gain relating to the disposal of Magneti Marelli of €3.8 billion (EXOR's share €1.1 billion).
(b) In the first half of 2019 the investment was accounted at fair value through other comprehensive income.

The reconciliation of the share of the loss/(profit) of investments accounted for using the equity method with the (loss) profit attributable to owners of the parent is as follows:

€ million	I Half 2020	I Half 2019	Change
(Loss) profit attributable to owners of the parent[(a)]	**(1,318)**	2,427	(3,745)
Less:			
- Net financial income/expenses	**87**	(17)	104
- Net recurring general expenses	**8**	7	1
- Net non-recurring other income/expenses	**(38)**	0	(38)
Share of the (loss) profit of investments accounted for using the equity method	**(1,261)**	2,417	(3,678)

(a) GAAP measure.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP – SHORTENED

This section includes the results of the EXOR Group based on the "shortened" criterion of consolidation.

According to this method, the Holdings System companies are consolidated line-by-line and the operating subsidiaries and associates are consolidated using the equity method.

While the presentation of such data is not contemplated in the reference accounting standards, EXOR believes that this information facilitates the analysis of the results and the financial position of EXOR.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP - SHORTENED

As described above in the APM section, EXOR applies a shortened consolidation criterion to facilitate the analysis of the financial position and results of EXOR.

Using the shortened consolidation criterion, rather than the line-by-line method of consolidation required by law and under IFRS, the data derived from the financial statements or accounting data prepared in accordance with IFRS by EXOR and by the subsidiaries constituting the Holdings System are consolidated in the financial statements of the parent company EXOR using the line-by-line method, while the data derived from the financial statements or accounting data prepared in accordance with IFRS of the operating subsidiaries (PartnerRe, Ferrari, FCA, CNH Industrial, Juventus Football Club, GEDI and Exor Seeds) and associates (The Economist Group and Welltec) are included in the consolidated financial statements of the parent company EXOR using the equity method.

The consolidated data prepared in shortened form are not audited by the independent auditors.

<u>Consolidation of GEDI</u>

EXOR (through its wholly owned subsidiary Giano Holding) acquired control of GEDI at the end of April 2020 following completion of the acquisition of a 43.78% stake in GEDI from CIR for a consideration of €102 million at a price of €0.46 per share. At the completion of this transaction, in accordance with Italian law, Giano Holding launched a mandatory tender offer to acquire all GEDI shares, with the completion of the first phase on 30 June 2020.

At the end of April 2020, Giano Holding also acquired GEDI shares from Mercurio S.p.A., Sia Blu S.p.A. and Giacaranda Caracciolo di Melito Falck, at a price of €0.46 per share, for a total consideration of €26 million.

At 30 June 2020, at the end of the acceptance period and considering the shares purchased on the market, EXOR held 449,505,575 GEDI shares (91.73% of the outstanding share capital) at a total cost of €207 million, including €14 million relating to shares previously held.

The transaction was accounted for in accordance with IFRS 3, considering the mandatory tender offer as linked to the acquisition of the 43.78% of GEDI's shares, by applying the acquisition method on the basis of the interim financial statements prepared in accordance with IFRS at 30 April 2020 (the acquisition date). The interest previously held by EXOR in GEDI (5.99% of share capital) was measured at fair value at the acquisition date and the cumulative positive fair value of €2 million has been recognized in the fair value reserve within equity in the first half of 2020.

At 30 June 2020, consistently with the shortened consolidation criterion and according to the method adopted for all investments in operating subsidiaries and associates of the Group, GEDI was accounted for using the equity method on the basis of the consolidated financial information prepared in accordance with IFRS as of that date, while the income statement included the share of the result of GEDI for the period 1 May 2020 to 30 June 2020.

The carrying amount of the investment includes a difference of €55 million as the excess of the book value of GEDI's equity as of the acquisition date over the consideration paid. Considering that the initial accounting is still provisional and that such difference may therefore be subject to future adjustments, it will be recognized as a deferred credit within line item provisional bargain purchase gain until the accounting for the acquisition is completed.

The following table shows the scope of consolidation under the shortened method:

	Reporting currency	30/06/2020	31/12/2019	30/06/2019
Holding Company				
- EXOR N.V. (The Netherlands)	€	100	100	100
Companies in the Holdings System consolidated line-by-line				
- Exor Nederland N.V. (The Netherlands)	$	**100**	100	100
- Exor S.A. (Luxembourg)	€	**100**	100	100
.- Giano Holding S.p.A. (Italy)[(a)]	€	**100**	-	-
- Ancom USA Inc. (USA)	$	**100**	100	100
- Exor SN LLC (USA)	$	**100**	100	100
- Exor Investments Limited (United Kingdom)	£	**100**	100	100
- Exor Investments (UK) LLP (United Kingdom)	£	**99.67**	99.67	99.67
Investments in operating subsidiaries and associates, accounted for using the equity method				
- PartnerRe	$	**100**	100	100
- Ferrari	€	**24.05**	23.98	23.77
- FCA	€	**28.55**	28.67	28.67
- CNH Industrial	$	**27.18**	27.18	27.16
- Juventus Football Club	€	**63.77**	63.77	63.77
.- GEDI Gruppo Editoriale[(b)]	€	**91.73**	-	-
- The Economist Group	£	**43.40**	43.40	43.40
- Welltec	$	**22.12**	22.12	22.12
- Exor Seeds	$	**73.20**	73.11	74.25

(a) Company constituted on 20 February 2020 for the acquisition of GEDI's controlling stake.
(b) At 31 December 2019 and at 30 June 2019 GEDI was accounted at fair value through other comprehensive income. The acquisition date is 30 April 2020.

The exchange rates used to translate foreign currencies into Euro are as follows:

	I Half 2020		I Half 2019	
	Average	30/06	Average	30/06
U.S. dollar	**1.102**	**1.120**	1.130	1.138
British pound	**0.875**	**0.912**	0.874	0.897

EXOR closed the first half of 2020 with a consolidated loss of €1,318 million; the first half of 2019 ended with a consolidated profit of €2,427 million. The decrease of €3,745 million is mainly attributable to the reduction of overall performances of the subsidiaries, mainly impacted by the significant negative effect of the Covid-19 pandemic; moreover the result of the first half of 2019 included EXOR's share of the net gain realized on the disposal of Magneti Marelli for €1,092 million (total €3.8 billion). Additional details are provided in Note 1.

At 30 June 2020 the consolidated equity attributable to owners of the parent amounts to €13,403 million with a net decrease of €1,622 million, compared to €15,025 million at 31 December 2019. Additional details are provided in Note 7.

The consolidated net financial position of the Holdings System at 30 June 2020 is a negative €3,081 million and reflects a negative change of €450 million compared to the negative financial position of €2,631 million at 31 December 2019, due to investments (€391 million), payment of dividends (€100 million) and other net negative changes (€54 million) partially offset by dividends received from investments (€95 million). Additional details are provided in Note 8.

The shortened consolidated income statement and statement of financial position and notes on the most relevant line items are presented below.

EXOR GROUP – Half-year Consolidated Income Statement – Shortened

€ million	Note	I Half 2020	I Half 2019	Change
(Loss) profit from investments in subsidiaries and associates:				
Share of the (loss) profit		**(1,261)**	2,417	(3,678)
Dividends received		**95**	1,059	(964)
Dividends eliminated[a]		**(95)**	(1,059)	964
(Loss) profit from investments in subsidiaries and associates	1	**(1,261)**	2,417	(3,678)
Net financial (expenses) income:				
(Loss) profit from cash, cash equivalents and financial assets		**(40)**	63	(103)
Cost of debt		**(49)**	(48)	(1)
Exchange gains net		**2**	2	0
Net financial (expenses) income	2	**(87)**	17	(104)
Net recurring general expenses	3	**(8)**	(7)	(1)
Net non-recurring other income (expenses)	4	**38**	-	38
(Loss) profit attributable to owners of the parent		**(1,318)**	2,427	(3,745)

a) Dividends from investments in subsidiaries and associates which are included in the share of the profit (loss) from investments in subsidiaries and associates, eliminated in the consolidation process.

EXOR GROUP – Half-year Consolidated Statement of Financial Position – Shortened

€ million	Note	30/06/2020	31/12/2019	Change
Investments in subsidiaries and associates	5	**16,271**	17,551	(1,280)
Investments at FVTOCI	6	**241**	78	163
Other asset (liabilities)[a], net		**(28)**	27	(55)
Invested capital		**16,484**	17,656	(1,172)
Issued capital and reserves attributable to owners of the parent	7	**13,403**	15,025	(1,622)
Cash, cash equivalents and financial assets	8	**(1,370)**	(789)	(581)
Gross debt	8	**4,451**	3,420	1,031
Equity and net financial position		**16,484**	17,656	(1,172)

a) Includes €55 million as the excess of the book value of GEDI's equity as of the acquisition date over the consideration paid. Considering that the initial accounting is still provisional and that such difference may therefore be subject to future adjustments, it will be recognized as a deferred credit within line item provisional bargain purchase gain until the accounting for the acquisition is completed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - SHORTENED

1. (Loss) profit from investments in subsidiaries and associates

Share of the (loss) profit of investments accounted for using the equity method

The share of the result of investments accounted for using the equity method in the first half of 2020 is a loss of €1,261 million, with a decrease of €3,678 million compared to the profit of the first half of 2019 (€2,417 million), mainly impacted by the negative effect of the Covid-19 pandemic. The negative change reflects in particular the decrease in the share of the result of FCA (-€2,290 million), PartnerRe (-€875 million), CNH Industrial (-€477 million), Ferrari (-€44 million) and the share of the result arising from the first time consolidations of GEDI (-€11 million), partially offset by an improvement in the negative result of Juventus (€18 million). Moreover, in the first half of 2019, the result of FCA included a net gain realized on the disposal of Magneti Marelli of €3.8 billion (EXOR's share €1.1 billion).

	Result[a]		EXOR's share		
	I Half		I Half		
€ million	**2020**	2019	**2020**	2019	Change
PartnerRe	(185)	690	**(185)**	690	(875)
Ferrari	175	360	**42**	86	(44)
FCA[b]	(2,734)	5,265	**(781)**	1,509	(2,290)
CNH Industrial[c]	(1,195)	562	**(324)**	153	(477)
Juventus Football Club[d]	(19)	(47)	**(12)**	(30)	18
The Economist Group[e]	15	20	**7**	8	(1)
GEDI[f]	(12)	-	**(11)**	-	(11)
Other	-	-	**3**	2	1
			(1,261)	2,418	(3,679)
Adjustments			**0**	(1)	1
Total			**(1,261)**	2,417	(3,678)

(a) Results attributable to owners of the parents. Results reported in foreign currencies have been converted into Euro at the average exchange rate of the period.
(b) The result of the first half of 2020 includes impairment losses following the assessment of certain assets as a consequence of the Covid-19 pandemic for €1,176 million (total EXOR's share €336 million): in particular €549 million for deferred tax assets, €627 million for impairment charges of tangible and intangible assets. The first half of 2019 included a net gain related to the disposal of Magneti Marelli of €3.8 billion (EXOR's share €1.1 billion).
(c) The result of the first half of 2020 includes impairment losses following the assessment of certain assets as a consequence of the Covid-19 pandemic for €1,066 million (total EXOR's share €290 million): in particular €523 million for goodwill impairment loss, €281 million for impairment charges of other assets and €262 million for asset optimization charges. The first half of 2019 included a net gain related to the modification of a healthcare plan in the United States for €330 million (EXOR's share €89 million).
(d) The result refers to the accounting data prepared for consolidation in EXOR for the period 1 January – 30 June.
(e) The result refers to the period 1 October – 31 March.
(f) The result refers to the period 1 May – 30 June as EXOR completed the acquisition of control on 30 April 2020. In the first half of 2019 the investment was accounted at fair value through other comprehensive income.

For comments on the performance of the principal operating subsidiaries, please refer to the section "Review of performance of the operating subsidiaries".

Dividends

€ million	**I Half 2020**	I Half 2019	Change
Dividends from investments accounted for using the equity method:			
- PartnerRe	**45**	71	(26)
- Ferrari	**50**	46	4
- CNH Industrial	**-**	66	(66)
- FCA	**-**	876	(876)
Dividends included in the net financial position	**95**	1,059	(964)
Less: Dividends included in the share of the profit (loss) of investments accounted for using the equity method	**(95)**	(1,059)	964
Dividends included in the income statement	**0**	0	0

2. Net financial (expenses) income

In the first half of 2020 net financial expenses amounts to €87 million (net financial income of €17 million in the first half of 2019).

€ million	I Half 2020	I Half 2019	Change
Profit (loss) from cash, cash equivalents and financial assets:			
Realized gains (losses)[a]	**-**	10	(10)
Unrealized (losses) gains [b]	**(42)**	51	(93)
Interest income on:			
- bank current accounts and deposits	**1**	-	1
- debt securities	**1**	2	(1)
(Loss) profit from cash, cash equivalents and financial assets	**(40)**	63	(103)
Cost of debt:			
Bonds[c]	**(48)**	(47)	(1)
Bank debt	**(1)**	(1)	0
Cost of debt	**(49)**	(48)	(1)
Exchange gains (losses)	**2**	2	0
Net financial (expenses) income	**(87)**	17	(104)

(a) Related to disposals of financial instruments.
(b) Change in fair value related to cash invested in financial assets managed by Exor Investments (UK) LLP through a Luxembourg SICAV Fund.
(c) Includes the credit risk adjustment component recorded in the income statement relating to the fair value measurement of the cross currency swap in accordance with IFRS 13.

3. Net recurring general expenses

Net recurring general expenses in the first half of 2020 amount to €8 million, substantially aligned with the previous half year. The main items are detailed below:

€ million	I Half 2020	I Half 2019	Change
Personnel costs	**(2)**	(2)	0
Compensation and other costs relating to directors	**(1)**	(1)	0
Service costs, net	**(2)**	(1)	(1)
Net recurring general expenses included in the net financial position	**(5)**	(4)	(1)
Share based compensation plan costs	**(3)**	(3)	0
Net recurring general expenses recorded in the income statement	**(8)**	(7)	(1)

4. Net non-recurring other income (expenses)

In the first half of 2020 net non-recurring other income (expenses) amount to €38 million and mainly refer to a one-off income linked to a transaction with investments, partially offset by consulting fees related to investment and disinvestment projects (€2 million).

5. Investments in subsidiaries and associates

€ million	30/06/2020	31/12/2019	Change
PartnerRe	**6,177**	6,477	(300)
Ferrari	**345**	378	(33)
FCA	**7,066**	8,173	(1,107)
CNH Industrial	**1,780**	1,852	(72)
Juventus Football Club	**166**	176	(10)
The Economist Group	**289**	323	(34)
GEDI[a]	**251**	-	251
Other	**197**	172	25
Investments in subsidiaries and associates	**16,271**	17,551	(1,280)

(a) At 31 December 2019 the investment was classified in investments measured at fair value to other comprehensive income.

The negative change in EXOR's investment in PartnerRe (€300 million) is mainly attributable to EXOR's share of the negative result (€185 million), the negative translation exchange differences (€63 million) and the payment of dividends (€45 million).

The negative change in EXOR's investment in Ferrari (€33 million) is primarily due to the payment of dividends (€50 million) and the buy-back of treasury stock (€31 million), partially offset by EXOR's share of the profit (€42 million).

The negative change in EXOR's investment in FCA (€1,107 million) is mainly attributable to EXOR's share of the negative result (€781 million), the negative translation exchange differences and cash flow hedge reserve for €236 million and €65 million, respectively.

The negative change in EXOR's investment in CNH Industrial (€72 million) can be ascribed primarily to EXOR's share of the negative result (€324 million) and the negative translation exchange differences (€124 million), partially offset by the net positive fair value reserve (€361 million), mainly due to the measurement at fair value of the investment in Nikola Corporation.

6. Investments measured at fair value to other comprehensive income

The investments measured at fair value through other comprehensive income amount to €241 million (€78 million at 31 December 2019) and include principally investments in equity instruments. The positive change (€163 million) is principally due to the acquisition of the 8.87% in Via Transportation (€183 million), partially offset by the reclassification of the 5.99% quota GEDI shares previously held before the acquisition of control (€14 million).

7. Issued capital and reserves attributable to owners of the parent

€ million	30/06/2020	31/12/2019	Change
Share capital	**2**	2	0
Reserves	**13,670**	15,292	(1,622)
Treasury stock	**(269)**	(269)	0)
Issued capital and reserves attributable to owners of the parent	**13,403**	15,025	(1,622)

Details of changes during the period are as follows:

€ million	
Balance at 31 December 2019	**15,025**
Dividend paid by EXOR	(100)
Fair value adjustment to investments and other financial assets	(3)
Measurement of EXOR derivative financial instruments	(2)
Other net changes of EXOR Holdings System[a]	17
Movements attributable to operating companies accounted for using the equity method:	
- Exchange differences on translation[b]	(462)
- Fair value[c]	361
- Buyback treasury stock	(31)
- Cash flow hedge	(47)
- Other	(37)
Consolidated (loss) attributable to owners of the parent	(1,318)
Net change during the period	**(1,622)**
Balance at 30 June 2020	**13,403**

(a) Mainly includes exchange differences on translation.
(b) Mainly related to FCA (-€236 million), CNH Industrial (-€124 million) and PartnerRe (-€63 million).
(c) Refers to the EXOR share of the measurement at fair value carried out by CNH Industrial on the Nikola Corporation investment.

8. Net financial position of the Holdings System

The net financial position of the Holdings System at 30 June 2020 is a negative €3,081 million and shows a negative change of €450 million compared to the balance at 31 December 2019 (a negative €2,631 million).

€ million	30/06/2020	31/12/2019	Change
Financial assets	**317**	358	(41)
Financial receivables	**8**	8	0
Cash and cash equivalents	**1,045**	423	622
Cash, cash equivalents and financial assets	**1,370**	789	581
EXOR bonds	**(4,083)**	(3,391)	(692)
Bank debt	**(335)**	0	(335)
Other financial liabilities	**(33)**	(29)	(4)
Gross debt	**(4,451)**	(3,420)	(1,031)
Net financial position of the Holdings System	**(3,081)**	(2,631)	(450)

Financial assets include principally financial instruments accounted for at FVTPL and debt securities listed on an active market measured at amortized cost.
Cash and cash equivalents include short-term deposits spread over an appropriate number of counterparties chosen according to their creditworthiness and their reliability since the primary objective is to hold investments which can readily be converted into cash.

Bonds issued by EXOR and outstanding at 30 June 2020 are as follows:

Issue date	Maturity date	Issue price	Fixed Rate (%)	Nominal amount (million)	Balance at 30/06/2020 (€ million)	Balance at 31/12/2019 (€ million)	Change
12-Nov-13	12-Nov-20	99.053	3.375	200	**(204)**	(201)	(3)
03-Dec-15	02-Dec-22	99.499	2.125	750	**(757)**	(748)	(9)
08-Oct-14	08-Oct-24	100.090	2.500	650	**(661)**	(653)	(8)
07-Dec-12	31-Jan-25	97.844	5.250	100	**(101)**	(104)	3
22-Dec-15	22-Dec-25	100.779 (a)	2.875	450 (a)	**(458)**	(451)	(7)
20-May-16	20-May-26	99.650	4.398	170 (b)	**(152)**	(152)	0
18-Jan-18	18-Jan-28	98.520	1.750	500	**(497)**	(501)	4
29-Apr-20	29-Apr-30	98.489	2.250	500	**(493)**	-	(493)
09-May-11	09-May-31	100.000	2.800 (c)	10,000 (d)	**(84)**	(82)	(2)
14-Oct-19	14-Oct-34	99.725	1.75	500 (e)	**(478)**	(298)	(180)
15-Feb-18	15-Feb-38	98.183	3.125	200	**(198)**	(201)	3
					(4,083)	(3,391)	(692)
- Current portion					**(248)**	(227)	(21)
- Non-current portion					**(3,835)**	(3,164)	(671)

(a) Originally €250 million; the amount was increased by another €200 million on 10 May 2016. The issue price corresponds to the weighted average of the prices calculated on the entire amount of €450 million.
(b) Nominal value in $, original currency of issuance.
(c) To protect against currency fluctuations, a hedging transaction was put in place using a cross currency swap. The cost in Euro is fixed at 6.012% per year.
(d) Nominal value in Yen.
(e) Originally €300 million; the amount was increased by another €200 million with settlement date 23 June 2020.

EXOR intends to repay the bonds in cash at maturity using available liquid resources and undrawn credit lines.

EXOR may, from time to time, buy back bonds on the market for cancellation purposes. The decision to buy back bonds will depend on, among other factors, market conditions and EXOR's financial situation.

Bank debt (€335 million) include credit lines drawn (€290 million) and the outstanding payments related to the Giano Holdin shares acquired in the context of the mandatory tender offer.

Other financial liabilities (€33 million) mainly consist of the fair value of cash flow hedge derivative instruments.

The net change in the first half of 2020, a negative €450 million, can be analyzed as follows:

€ million	Note	I Half 2020	I Half 2019	2019
Net financial position of the Holdings System - Initial amount		**(2,631)**	(3,255)	(3,255)
Impact resulting from the adoption of IFRS 16 – Leases		-	(3)	(3)
Dividends received from investments	1	95	1,059	1,179
Investments[(a)]		(391)	(50)	(274)
Dividends paid by EXOR		(100)	(100)	(100)
Buyback EXOR treasury stock		-	(196)	(207)
Other net changes	2	(54)	24	29
Net change during the period		**(450)**	734	624
Net financial position of the Holdings System - Final amount		**(3,081)**	(2,521)	(2,631)

(a) The first half of 2020 mainly includes the acquisition of the controlling stake in GEDI (€193 million) and the acquisition of the 8.87% in Via Transportation (€183 million). The year 2019 mainly included the subscription of EXOR's portion of Juventus's share capital increase for €191 million.

€ million	I Half 2020	I Half 2019	2019
1. Dividends received from investments	**95**	1,059	1,179
PartnerRe	45	71	178
Ferrari	50	46	46
FCA[(a)]	-	876	876
CNH Industrial	-	66	66
Other	-	-	13
2. Other net changes	**(54)**	24	29
Net recurring general expenses	(5)	(4)	(15)
Net non-recurring other income (expenses)	38	-	(1)
Net financial (expenses) income[(b)]	(87)	17	44
Other changes	-	11	1

(a) In 2019 €292 million as ordinary annual dividend and €584 million as extraordinary cash distribution.
(b) In the first half of 2020 related to: unrealized losses on financial assets (€42 million), cost of debt (€49 million), net exchange gains (€2 million and other net financial income (€2 million). In the first half of 2019 related to: unrealized gains on financial assets (€51 million), realized gains on financial assets (€10 million), cost of debt (€48 million), net exchange gains (€2 million) and other net financial income (€2 million). In the year 2019 related to: unrealized gains on financial assets (€120 million), realized gains on financial assets (€10 million), cost of debt (€96 million), net exchange gains (€6 million) and other net financial income (€4 million).

At 30 June 2020 EXOR has irrevocable credit lines in Euro of €435 million, expiring after 30 June 2021, as well as revocable credit lines of €547 million (drawn for €290 million).

On 27 May 2020 Standard & Poor's affirmed EXOR's long-term and short-term ratings ("BBB+" and "A-2" respectively) and revised the outlook to "stable" from "positive".

REVIEW OF THE PERFORMANCE
OF THE OPERATING SUBSIDIARIES

(The share capital and voting rights percentages are based on data at 30 June 2020)

Set out below is a summary of the key highlights from the interim reports of the operating subsidiaries, including the Management Report.

In order to facilitate the readers' use and cross reference the data has been extracted from the financial statements of each subsidiary, and presented in the original reporting currency and accounting principles.

Therefore, data presented in this section may differ from those prepared for EXOR consolidation purposes.

Further information and details of significant events of subsidiaries are shown in the respective companies' reports.

PartnerRe

(99.57% of voting rights; 100% interest in common shareholder's equity through EXOR Nederland N.V.)

Data presented and commented below are derived from PartnerRe's consolidated financial information for the six months ended 30 June 2020 prepared in accordance with US GAAP.

	I Half	
$ million	2020	2019
Net premiums written	3,269	3,783
Non-life combined ratio[(a)]	112.6%	95.0%
Life and Health allocated underwriting result[(b)]	23	44
Net investment return	0.7%	5.3%
Other expenses	169	175
Net (loss) income attributable to PartnerRe common shareholders[(c)]	(204)	782
Net Income ROE[(d)]	(6.4)%	25.3%

(a) PartnerRe uses a combined ratio to measure results for the Non-life P&C and Specialty segments. The combined ratio is the sum of the technical and other expense ratios.
(b) PartnerRe uses allocated underwriting result as a measure of underwriting performance for its Life and Health segment. This metric is defined as net premiums earned, other income or loss and allocated net investment income less life policy benefits, acquisition costs and other expenses.
(c) Net income/loss attributable to PartnerRe common shareholders is defined as net income/loss attributable to PartnerRe less preferred dividends.
(d) Net income ROE is calculated as net income return on average common shareholders' equity.

Covid-19

PartnerRe incurred $338 million of pre-tax losses, net of retrocession and reinstatement premiums, as a direct result of Covid-19 and the related effects of the economic downturn in the first half of 2020.
These losses reflect the estimations on claims incurred as of 30 June 2020, with substantially all of the losses classified as incurred but not reported (IBNR) reserves. Such estimations include $159 million, $164 million and $15 million of pre-tax losses, net of retrocession and reinstatement premiums, attributable to P&C, Specialty and Life and Health segments, respectively. The losses are attributable to business interruption and event cancellation related coverages, credit exposures in financial risks lines, and life and health business.
The Covid-19 pandemic is unprecedented and the related economic downturn is ongoing. There continues to be significant uncertainty surrounding the full extent of the impact. Despite the recent market conditions, PartnerRe's solvency position has remained strong and showed an improvement during the second quarter of 2020. PartnerRe also maintains ample liquidity, with cash and cash equivalents of $1.4 billion at the end of the second quarter of 2020.

Net loss attributable to common shareholder was $204 million for the half year 2020, which included net realized and unrealized investment gains on fixed maturities and short-term investments of $211 million, primarily due to decreases in worldwide risk-free rates, and net foreign exchange gains of $95 million. This compared to a net income available to common shareholder of $782 million for the half year 2019, which included net realized and unrealized investment gains on fixed maturities and short-term investments of $443 million and $47 million of net foreign exchange losses.

The majority of the investments, including all fixed maturities, such as government bonds and investment grade corporate debt, are accounted for at fair value with changes in the fair value recorded in the Consolidated Statements of Operations.

Net premiums written of $3.3 billion were down 14% for the first half of 2020 compared to $3.8 billion in the same period of 2019, reflecting premium exposure adjustments resulting from the current economic downturn and the Company's focus on portfolio optimization throughout 2020.

The Non-life combined ratio was 112.6% for the half year 2020 compared to 95.0% for the same period of 2019. The decrease was driven by Covid-19 related losses, net of retrocession and reinstatement premiums.

Allocated underwriting result in the Life and Health segment was a profit of $23 million for the half year 2020, compared to $44 million for the half year 2019, driven by Covid-19 related losses of $15 million, adverse experience in the short term life business and an unfavorable impact in the GMDB line of business following decreases in equity markets, partially offset by the favorable impact of certain portfolio recaptures.

Net investment return for the half year 2020 was $124 million, or 0.7%, which included net investment income of $175 million and interest in earnings of equity method investments of $2 million, partially offset by net realized and unrealized investment losses of $53 million. This compares to a net investment return of $917 million, or 5.3%, for the half year 2019, which included net investment income of $231 million, net realized and unrealized investment gains of $651 million and interest in earnings of equity method investments of $35 million.

Net investment income was down $56 million for the half year 2020, compared to the same period in 2019, primarily due to the sales of higher yielding bank loan investments and the impact of lower reinvestment rates, driven by significant decreases in worldwide risk-free rates in the first quarter of 2020.

Net realized and unrealized investment losses of $53 million for the half year 2020 included $137 million of net realized and unrealized investment losses on equities and $127 million of net realized and unrealized investment losses on other invested assets, partially offset by net realized and unrealized investment gains of $211 million on fixed maturities and short-term investments. Gains on fixed maturities and short-term investments were primarily unrealized and reflect the benefit of decreases in worldwide risk-free rates, partially offset by the widening of worldwide credit spreads. Losses on equities were primarily unrealized and driven by unrealized losses in public equity funds due to decreases in worldwide equity markets. Losses on other invested assets included $93 million of net unrealized losses primarily driven by the PartnerRe's U.S. and European bank loans that were impacted by a widening of non-investment grade credit spreads, as well as losses on private equities. PartnerRe also recognized net realized losses of $34 million on other invested assets driven by sales within the bank loan portfolios. For the half year 2019, net realized and unrealized investment gains of $651 million included net realized and unrealized investment gains of $443 million on fixed maturities and short-term investments and $208 million of net realized and unrealized investment gains on equities and other invested assets.

Other Income Statement items

Other expenses of $169 million (expense ratio of 5.4%) for the half year 2020 were down $6 million compared to $175 million (expense ratio of 5.7%) for the same period of 2019.

Net foreign exchange gains were $95 million for the half year 2020, driven by the appreciation of the U.S. dollar against certain major currencies (primarily the Canadian dollar and British pound), net of the cost of hedging. This compared to losses of $47 million for the half year 2019, driven by the depreciation of the U.S. dollar against certain major currencies and hedging costs.
The impact of net foreign exchange gains and losses in the income statement during 2020 was significantly offset by changes in the foreign currency translation adjustment in other comprehensive income, which decreased by $98 million for the half year 2020.

Interest expense was $16 million for the half year 2020, compared to $22 million for the same period of 2019. During the second quarter of 2019, PartnerRe issued $500 million 3.70% Senior Notes due 2029 and used the proceeds to early redeem the $500 million 5.50% Senior Notes due 2020 in the third quarter of 2019. These transactions resulted in the lower interest expense compared to the same periods of 2019.

Income tax benefit was $28 million on pre-tax losses of $209 million for the half year 2020, compared to an expense of $75 million on pre-tax income of $880 million for the half year 2019.

Balance sheet and capitalization

Total capital was $8.3 billion at 30 June 2020, down 4.2% compared to 31 December 2019, primarily due to the decrease in common shareholder's equity for the half year 2020.

Common shareholder's equity (or book value) of $6.2 billion and tangible book value of $5.6 billion at 30 June 2020 decreased by 5.6% and 6.0%, respectively, compared to 31 December 2019, primarily due to the net loss attributable to common shareholder for the half year 2020, the foreign currency translation adjustment and dividends on common shares. Book value, excluding dividends on common shares for 2020, was down 4.8% compared to 31 December 2019.

Total investments and cash and cash equivalents were $18.0 billion at 30 June 2020, up 1.0% compared to 31 December 2019. The increase at 30 June 2020 was primarily driven by the $124 million net investment return for the half year 2020.

Cash and cash equivalents, fixed maturities, and short-term investments, which are government issued or investment grade fixed income securities, were $14.0 billion at 30 June 2020, representing 78% of the total investments and cash and cash equivalents.

The average credit rating of the fixed income portfolio was AA as of 30 June 2020. The expected average duration of the public fixed income portfolio at 30 June 2020 was 1.9 years, while the average duration of the liabilities was 4.5 years.

Reconciliation of reported US GAAP financial information to IFRS financial information used for line-by-line consolidation purposes

The net differences between the US GAAP and the IFRS net income are immaterial and related only to the economic effects of the application of the acquisition method by EXOR to account for the acquisition.

2020 Outlook

Excluding the effects of Covid-19 and the related economic downturn, PartnerRe has begun to observe momentum with respect to its Non-Life segments, with current accident year ratios benefiting from the hardening rate environment and our portfolio optimization efforts. The improved reinsurance conditions, alongside positive June and July renewals where we continued to see strong rate increases, position us well to deliver improved underwriting results. In addition, our Life and Health segment continues to contribute to book value and provides diversification effects.

PartnerRe, and its peers within the reinsurance industry, do not provide earnings guidance given its reinsurance results are largely exposed to low frequency and high severity risk events. Some of these risk events are seasonal, such that results for certain periods may include unusually low loss experience, while results for other periods may include modest or significant catastrophe losses. In addition, PartnerRe's investment results are exposed to changes in interest rates, credit spreads, and capital markets in general, which result from fluctuations in general economic and financial market conditions. As a result, PartnerRe's profitability in any one period or year is not necessarily predictive or indicative of future profitability or performance.

Ferrari

(22.91% stake and 34.54% of voting rights on issued capital)

Key consolidated data of Ferrari reported in the first half of 2020 are as follows:

	I Half		
€ million	**2020**	2019	Change
Shipments (in units)	**4,127**	5,281	(1,154)
Net revenues	**1,503**	1,924	(421)
EBIT	**243**	471	(228)
Net profit	**175**	364	(189)
Net Industrial debt(1)	**(776)**	(337)	(439)

(1) Defined as net debt less net debt of financial services activities. The comparative figure refers at 31 December 2019.

Covid-19

The global spread of Covid-19, a virus causing potentially deadly respiratory tract infections, which was declared a global pandemic by the World Health Organization in March 2020, has led governments around the world to mandate certain restrictive measures to contain the pandemic, including social distancing, quarantine, “shelter in place” or similar orders, travel restrictions and suspension of non-essential business activities. The main impacts on Ferrari during the first half of 2020 include the following:

- Deliveries to the distribution network were temporarily suspended near the end of March 2020 due to restrictions on dealer activities or the inability of customers to collect their cars, and deliveries gradually recommenced during the month of May 2020.
- With the safety and well-being of Ferrari employees in mind, production was suspended from 14 March 2020 and gradually restarted from 4 May 2020, with full production resuming on 8 May 2020. Ferrari continued to pay all employees throughout the suspension period and did not accede to any of the government’s aid programs. Ferrari experienced limited supply chain constraints, in the first six months of 2020, which were actively managed to mitigate any impacts on our production.
- The start of the 2020 Formula 1 World Championship was postponed to 5 July 2020, when the Austrian Grand Prix, was held without spectators present. The number and format of further Grand Prix races that will take place in 2020 remains uncertain, as this is dependent on the global evolution of the Covid-19 pandemic. It is possible that several of the 2020 races currently scheduled will be held without spectators present, depending on local regulations and decisions made by FIA (the governing body of the Formula 1 World Championship). This has impacted the results in the first half of 2020 as Ferrari has accrued sponsorship and commercial revenues based on the initial estimate of the number of races that will take place for the 2020 season, which is expected to be significantly less than the 2019 season.
- Brand activities were also adversely impacted as a result f the closure of Ferrari stores and museums, gradually reopened in May, with appropriate safety measures in place to protect staff and customers. The significant decrease in-store traffic and museum visitors compared to the pre-pandemic levels has been only partially offset by an increase in online sales of merchandise.
- Although production and certain other activities (i.e. Formula 1, stores, museums) were temporarily suspended, Ferrari has been able to continue many other key business activities and functions through remote working arrangements.
- There were no significant effects on the valuation of assets or liabilities and no increases in allowances for credit losses as of 30 June 2020. Moreover, no material impairment indicators were identified and there were no changes in accounting judgments or other significant accounting impacts relating to Covid-19.

Shipments

Shipments totaled 4,127 units in the first half of 2020 with a decrease of 1,154 units (or 15%) compared to the prior period of 2019, impacted by the disruptions of the Covid-19 pandemic, including temporary suspension of production and shipments, near the end of March 2020 due to restrictions on dealer activities or the inability of customers to collect their cars; deliveries gradually recommenced during the month of May 2020.

Units(1)	I Half 2020	I Half 2019	Change amount	Change %
EMEA	**2,222**	2,404	(182)	(8)
Americas	**1,131**	1,523	(392)	(26)
Mainland China, Hong Kong and Taiwan	**62**	617	(555)	(90)
Rest of APAC	**712**	737	(25)	(3)
Shipments	**4,127**	5,281	(1,154)	(22)

(1) Excluding the XX Programme, racing cars, Fuori Serie, one-off and pre-owned cars.

Net revenues

Net revenues in the first half of 2020 were €1,503 million, a decrease of €421 million, or 21.9% (a decrease of 23.1% on a constant currency basis) from €1,924 million for the first half of 2019. The change in net revenues was attributable to the combination of a €263 million decrease in cars and spare parts, €87 million decrease in sponsorship, commercial and brand, €58 million decrease in engines and a €13 million decrease in other.

Net revenues generated from cars and spare parts were €1,238 million in the first half of 2020, a decrease of €263 million, or 17.5%, from €1,501 million for the first half of 2019. The decrease was primarily attributable to lower volumes and reduced contribution from the personalization programs, driven by the temporary suspension of shipments as a result of the Covid-19 pandemic, with shipments partially recovering during the quarter in conjunction with the gradual reopening of the dealer network.

Net revenues generated from engines were €53 million in the first half of 2020, a decrease of €58 million, or 51.9%, from €111 million for the first half of 2019, mainly attributable to lower shipments of engines to Maserati.

Net revenues generated from sponsorship, commercial agreements and brand management activities were €172 million in the first half of 2020, a decrease of €87 million, or 33.5%, from €259 million in the first half of 2019. The decrease was primarily attributable to the impacts of Covid-19, which resulted in the temporary suspension of the Formula 1 season leading to a reduced number of Formula 1 races and corresponding lower revenue accrual in the first half of 2020, as well as reduced in-store traffic and museum visitors.

€ million	I Half 2020	I Half 2019	Change
Car and spare parts	**1,238**	1,501	(263)
Engines	**53**	111	(58)
Sponsorship, commercial and brand	**172**	259	(87)
Other	**40**	53	(13)
Net revenues	**1,503**	1,924	(421)

EBIT

EBIT for the first half of 2020 was €243 million, a decrease of €228 million, or 48.3%, from €471 million for the first half of 2019.

The decrease in EBIT was attributable to the combined effects of negative volume impact of €140 million, positive product mix and price impact of €30 million, an increase in industrial costs of €38 million including higher depreciation, a decrease in research and development costs of €8 million, a decrease in selling, general and administrative costs of €2 million, a negative contribution of €114 million due to the impacts of Covid-19 on the Formula 1 racing calendar, lower traffic for brand related activities and lower engine sales to Maserati, and a positive foreign currency exchange impact of €24 million (including foreign currency hedging instruments) primarily driven by the strengthening of the U.S. Dollar compared to the Euro. Industrial costs include the full cost of employees' paid days of absence during the Covid-19 production suspension.

The negative volume impact was primarily attributable to the temporary suspension of shipments as a result of the Covid-19 pandemic. The positive product mix and price impact was primarily attributable to the Ferrari Monza SP1 and SP2, partially offset by lower contributions from the personalization programs, which are correlated to volumes, and lower shipments of the FXX K EVO.

Net industrial debt

Net industrial debt at 30 June 2020 was €776 million, with an increase of €439 million from €337 million at 31 December 2019. The increase reflects the distribution of the annual dividend for €209 million, the repurchase of Ferrari's shares under the buy-back program (€130 million) and the negative impact of free cash flow.

€ million	30/06/2020	31/12/2019	Change
Debt	**(2,757)**	(2,090)	(667)
Cash and cash equivalents	**1,112**	898	214
Net debt	**(1,645)**	(1,192)	(453)
Net debt of Financial Services Activities	**(869)**	(855)	(14)
Net Industrial Debt[(1)]	**(776)**	(337)	(439)

(1) Net industrial debt is defined as net debt excluding the funded portion of the self-liquidating financial receivables portfolio.

2020 Outlook

The narrowed 2020 guidance presented below reflects better visibility and some refinements of the assumptions previously outlined in the May 2020 guidance reported on 4 May 2020:

- continuing strong order book;
- refinement of production schedule resulting in a recovery of around 500 cars partially offsetting the loss of approximately 2,000 units incurred during the plant shutdown;
- delays in the full production ramp up of the SF90 Stradale, implying a softer mix;
- delivery of engines to Maserati reflecting their current annual targets.

The following assumptions are unchanged compared to the revised guidance:

- Formula 1 revenues continue to reflect the uncertainties regarding the remaining part of the 2020 calendar; so far 13 races have been confirmed, with most races expected to be held without the presence of fans;
- substantial reduction in Brand activities turnover reflecting a slow recovery;
- SG&A and R&D spending reflects cost containment initiatives taken and prioritization based on medium term impact analysis;
- capital expenditures for 2020 confirmed at approximately €750 million;
- no further disruption from current pandemic has been considered.

Considering the aforementioned assumptions, the Ferrari's guidance for the year is narrowed as follows:

- Net revenues: over €3.4 billion;
- Adjusted EBITDA: €1.075-1.125 billion;
- Adjusted EBIT: €0.65 billion - €0.7 billion;
- Adjusted diluted EPS: €2.6 - €2.8 per share;
- Industrial free cash flow: €0.10-0.15 billion.

FIAT CHRYSLER AUTOMOBILES

(28.55% stake, 44.42% of voting rights on issued capital)

The key consolidated data of FCA for the first half 2020 are presented below:

	I Half		Change	
€ million	**2020**	2019	Amount	%
Net revenues	**32,274**	51,222	(18,948)	-37.0
Adjusted EBIT[(1)]	**(876)**	2,594	(3,470)	-133.8
Net (loss) profit from continuing operations	**(2,742)**	1,301	(4,043)	-310.8
Net (loss) profit (including discontinued operations)	**(2,742)**	5,271	(8,013)	-152.0

(1) Adjusted EBIT is a non-GAAP financial measure used to measure performance. Adjusted EBIT excludes certain adjustments from Net profit from continuing operations, including: gains/(losses) on the disposal of investments, restructuring, impairments, asset write-offs and unusual income/(expenses) that are considered rare or discrete events that are infrequent in nature, and also excludes Net financial expenses and Tax expense/(benefit).

Covid-19

During the first half of 2020, the Covid-19 virus spread worldwide and was declared a pandemic by the World Health Organization on 11 March 2020. In response, many governments in affected jurisdictions imposed travel bans, quarantines and other emergency public safety measures. For example, governments have imposed restrictions on travel and the movement and gathering of people, as well as restrictions on economic activity. At 31 July 2020, many of these measures are still in place.

As the severity of the Covid-19 pandemic became apparent, FCA leadership took actions to protect its employees and communities, as well as strengthen its financial position and limit the impact on its financial performance.

FCA implemented a temporary suspension of production across its facilities: in APAC starting with China on 23 January 2020; in EMEA, starting with Italy from 11 March 2020; in Maserati beginning 12 March 2020; in North America phased-in progressively from 18 March 2020 and in LATAM on 23 March 2020. FCA also implemented remote working arrangements, where feasible, across all regions at various stages during the first quarter, and has restricted both domestic and international business travel since late February. These arrangements were structured to ensure continuation of critical activities, including, but not limited to, appropriate functioning of its internal controls and financial reporting systems and processes.

FCA worked closely with all relevant stakeholders, including unions and dealer representatives, to develop and implement plans to restart production and vehicle sales once governments in various jurisdictions permitted, including the development of enhanced sanitizing and health and safety procedures.

On 19 February and 24 February 2020, production restarted at its GAC Fiat Chrysler Automobiles Co. joint venture plants in Guangzhou and Changsha, China, respectively. On 27 April 2020, production restarted at his Sevel joint venture plant in Atessa (Italy). Production restarted in all North American plants by 1 June 2020; in India on 18 May 2020 and in Latin America by 11 May 2020. European production has resumed and a full restart is expected in the third quarter of 2020. Return to work procedures for FCA's offices and other facilities will also be phased in with expected continued widespread use of remote working practices.

During the six months ended 30 June 2020, FCA took several key actions to secure its liquidity and financial position, including drawing on existing bilateral lines of credit totaling €1.5 billion and securing an additional incremental bridge credit facility of €3.5 billion, structured as a bridge to capital markets, which was available to be drawn beginning in April and replaced as noted below. In addition, measures were taken to reduce cash outflows, including: a suspension of a significant number of capital expenditure programs; delaying non-essential spending; temporary lay-offs, salary cuts and deferrals; and significant reductions to marketing and other discretionary spend. On 21 April 2020, FCA drew down its €6.25 billion syndicated revolving credit facility, while on 24 June 2020, the Group announced that FCA Italy S.p.A., a wholly owned subsidiary of Fiat Chrysler Automobiles N.V., and other Italian companies in the FCA Group had signed a 3-year, €6.3 billion credit facility with Intesa Sanpaolo (Italy's largest banking group) to finance FCA activities in Italy.

FCA has also taken actions to support the wider community in the countries in which we operate, including: producing protective masks for healthcare workers and first responders, with over one million shipped during the first quarter; in North America and EMEA working with medical equipment manufacturers to support production of ventilators, other medical equipment and personal protective equipment, such as Siare Engineering International Group (Bologna, Italy); in APAC the Group donated personal protective equipment and vehicles; Maserati provided funding scholarships at medical schools; in LATAM, FCA worked on the creation of a makeshift field hospital close to its plants in Brazil, with a further two under construction in Argentina and Brazil, the production of face shields, vehicle fleet support and engineering and production assistance for the manufacturing and servicing of ventilators.

Further to the planned 50/50 merger of their businesses (as defined in the combination Agreement announced on 18 December 2019), on May 13, 2020, the board of directors of FCA and the managing board of Peugeot announced the decision by each company to not distribute an ordinary dividend in 2020 related to financial year 2019, in light of the impact from the COVID-19 crisis.

The completion of the project of merger between Groupe PSA and FCA that will give rise the new group “Stellantis”, is expected to occur in the first quarter of 2021, subject to customary closing conditions, including approval by both companies’ shareholders at their respective Extraordinary General Meetings and the satisfaction of antitrust and other regulatory requirements.

Net revenues and Adjusted EBIT

Net revenues			Adjusted EBIT	
Six months ended 30 June			Six months ended 30 June	
2020	2019	€ million	**2020**	2019
22,750	33,696	North America	**587**	2,609
1,799	3,982	LATAM	**(123)**	215
893	1,354	APAC	**(118)**	(21)
5,964	10,634	EMEA	**(859)**	3
439	814	Maserati	**(174)**	(108)
429	742	Other activities, unallocated items and adjustments	**(189)**	(104)
32,274	51,222	**Total continuing operations, excluding Magneti Marelli**	**(876)**	2,594

NORTH AMERICA
The decrease in North America net revenues in the six months ended 30 June 2020 compared to the same period in 2019 was primarily due to lower shipments partially offset by positive channel and model mix, favorable net pricing as well as favorable foreign exchange translation effects. The decrease in North America adjusted EBIT in the six months ended 30 June 2020 compared to the same period in 2019 was primarily due to lower volumes, non-repeat of prior year benefit due to the CAFÉ fine rate reduction in the U.S. on Model Year 2019 vehicles sold in prior periods and higher warranty costs, partially offset by positive pricing, favorable mix and reduced advertising expense.

LATAM
The decrease in LATAM net revenues in the six months ended 30 June 2020 compared to the same period in 2019 was primarily due to lower shipments, non-repeat of prior year one-off recognition of credits related to indirect taxes, as well as negative foreign exchange impacts from weakening of the Brazilian Real. The decrease in LATAM adjusted EBIT in the six months ended 30 June 2020 compared to the same period in 2019 was primarily due to lower net revenues and purchasing cost inflation partially offset by reduced advertising and general and administrative costs.

APAC
The decrease in APAC net revenues in the six months ended 30 June 2020 compared to the same period in 2019 was primarily due to lower shipments due to Covid-19 related market disruption throughout the region, and components sales to China JV.
The decrease in Adjusted EBIT in the six months ended 30 June 2020 compared to the same period in 2019 was primarily due to lower net revenues and lover GAC FCA JV results, partially offset by reduced marketing expense and general administrative costs.

EMEA

The decrease in EMEA Net revenues in the six months ended 30 June 2020 compared to the same period in 2019, was primarily due to lower volumes.

The decrease in EMEA Adjusted EBIT was primarily due to lower volumes, unfavorable mix and increased compliance costs, included within industrial costs. These were partially offset by lower fixed cost containment and restructuring actions implemented in prior periods, lower depreciation and amortization and reduced advertising costs.

Maserati

The decrease in Maserati Net revenues in the six months ended 30 June 2020 compared to the same period in 2019 was primarily due to decreased shipments, due to Covid-19 market and production impacts, and unfavorable market and model mix. The decrease in Maserati Adjusted EBIT was primarily due to lower net revenues.

The following table is the reconciliation of Net (loss) profit from continuing operations to Adjusted EBIT (non-GAAP measure).

	I Half	
€ million	**2020**	**2019**
Net (loss) profit from continuing operations	**(2,742)**	1,301
Tax (benefit) expense	**690**	529
Net financial expenses	**450**	504
Adjustments:		
Restructuring costs, net of reversals	**43**	196
Impairment expense and supplier obligations	**643**	155
(Losses)/gains on disposal of investments	**(4)**	(7)
Brazilian indirect tax - reversal of liability/recognition of credits	**-**	(164)
Other	**44**	80
Total adjustments	**726**	260
Adjusted EBIT	**(876)**	2,594

During the six months ended 30 June 2020, Adjusted EBIT excluded adjustment primarily related to €43 million of restructuring costs, primarily related to North America and LATAM, €643 million of impairment expense, of which €450 million related to impairment of CGUs in EMEA, LATAM and Maserati, €177 million related to impairments of certain assets in Maserati and €16 million related to asset impairments in North America, and €44 million of other costs, relating to litigation proceedings.

Cash flows from operating activities to Industrial free cash flows

	I Half	
€ million	**2020**	2019
Cash flows from operating activities	**(6,032)**	3,751
Less: Cash flows from operating activities discontinued operations	**-**	(308)
Cash flows from operating activities – continuing operations	**(6,032)**	4,059
Less: Operating activities not attributable to industrial activities	**17**	46
Less: Capital Expenditure for industrial activities	**3,991**	3,329
Add: Net intercompany payments between continuing operations and discontinued operations	**-**	(200)
Add: Discretionary pension contribution, net of tax	**68**	-
Industrial free cash flows	**(9,972)**	484

For the six months ended 30 June 2020 Industrial free cash flows from continuing operations decreased by €10.5 billion as compared to the same period in 2019, primarily reflecting negative working capital impacts as referred above, as well as higher capital expenditure during the first quarter.

2020 Outlook

On 18 March 2020, due to the continued uncertainty of market conditions and regional operating restrictions related to the evolving Covid-19 pandemic, FCA withdrew its 2020 Guidance.

For the second half of 2020, the Group estimates the following outlook:

- Normal summer production shutdown eliminated or shortened at most North America plants to align stronger-than-expected consumer demand and current inventory levels with production;
- Recovering profitability and positive Industrial free cash flows based on market outlook, driven primarily by North America;
- Estimated capex spending of €4.0 - €4.5 billion, with full year 2020 estimated capex of €8.0 - €8.5 billion, as the Group continues to invest in key product and powertrain programs;
- On-track to achieve previously announced expected cost savings of approximately €2 billion for full year 2020;
- Planned plant downtime:
    - Warren Truck down 14 weeks (late June to early October 2020) for retooling to produce all-new Jeep Wagoneer and Grand Wagoneer (retimed from the second quarter of 2020 due to Covid-19); and
    - Toluca down 4 weeks (in July 2020) for retooling related to Jeep Compass mid-cycle freshening.
- 2020 Vehicle launches:
    - All-new Fiat Strada pickup truck (Start of Production May 2020);
    - Mid-cycle freshenings of Maserati Quattroporte, Levante and Ghibli, together with the first ever Ghibli mHEV and V8 Trofeo models (Start of Production third quarter 2020); and
- All-new Ram TRX pickup truck (Start of Production fourth quarter 2020).

(26.89% stake, 41.68% of voting rights on issued capital)

Key consolidated figures of CNH Industrial for the first half 2020 are as follows:

	I Half		Change
$ million	2020	2019	
Revenues	**11,012**	14,011	(2,999)
Revenues in €	***9,993***	*12,401*	*(2,408)*
Adjusted EBIT(1)	**(87)**	1,041	(1,128)
Net (loss) income	**(1,294)**	654	(1,948)
of which attributable to owners of the parent	***(1,206)***	*635*	*(1,841)*
Net Industrial Debt(2)(3)	**(2,713)**	(1,403)	(1,310)

(1) Adjusted EBIT is a non-GAAP financial measure used to measure performance. Adjusted EBIT is defined as profit/(loss) before taxes, financial income (expense) of industrial activities, restructuring costs, and certain non- recurring items.
(2) Net Industrial debt is defined as net debt excluding the funded portion of the sell-liquidating financial receivables portfolio.
(3) The comparative figure refers to 31 December 2019.

Covid-19

During the first half of 2020, the Covid-19 pandemic continued to negatively impact most of CNH Industrial's end-markets and operations.
Worldwide agriculture industry demand was muted during the first half of 2020, with global demand for tractors down 1% and combines up 12%. In North America, tractor demand was up 20% in the first half for the lower horsepower segment (under 140 HP), while demand was down 22% for high horsepower tractors (over 140 HP); combines were up 3%. In Europe, tractor and combine markets were down 25% and 23%, respectively. South America tractor markets decreased 10% and combine markets increased 29% compared to the same period in the prior year. In Rest of World, demand decreased 3% for tractors and increased 21% for combines.
In the first half of 2020, demand in all sub-segments of construction end-markets were showing double-digit declines in all geographies, with the exception of Rest of World where general construction equipment was up 28%, while compact and service equipment and road building and site preparation equipment were both flat.
The European truck market was down 39% year-over-year in the first half, with light duty trucks down 29%, and medium and heavy trucks down 57%. The South America truck market was down 39% in light duty trucks and 28% in medium and heavy trucks. For buses, the European market decreased 57% in first half, and the South American market decreased by 62%.
With respect to liquidity, CNH Industrial completed the first half 2020 ended at 30 June 2020 with Cash and cash equivalents of $5.1 billion, Restricted cash of $723 million and undrawn committed facilities of $5.7 billion, for a total of $11.5 billion of liquidity available.
As a consequence of the significant decline in industry demand and other market conditions due to the economic disruption caused by the Covid-19 pandemic during the first half of 2020, CNH Industrial reviewed its current manufacturing footprint and, consequently, has reassessed the recoverability of certain assets. As a result, Agriculture recognized $111 million of impairment charges against tangible assets and $137 million of impairment charges against intangible assets in the first half of 2020. In the same period, Construction recognized impairment charges of $62 million against intangible and other long-lived assets and Commercial and Specialty Vehicles recognized charges of $282 million in connection with new actions identified in order to realize the asset portfolio of vehicles sold under buy-back commitments. These actions were taken as a result of the significant deterioration of the used vehicle markets in which the segment operates and the consequent impact on truck residual values. The segment also recognized other assets impairment charges of $7 million. Lastly, CNH Industrial performed a quantitative interim assessment of impairment for Construction goodwill, previously disclosed as being at risk of impairment. Having reassessed the expected future business performance of the segment and its projected cash flows, which have deteriorated significantly, CNH Industrial recognized a charge of $576 million in the first half, representing the total impairment of Construction goodwill.

On 27 April 2020 CNH Industrial began to resume operations at some of its industrial facilities in Europe, within the constraints of applicable emergency regulations, and continued to restore capacity in all regions, returning to normal operations at all manufacturing sites by the end of May. However, as a consequence of the general decline in certain industries, volumes continue to fluctuate, requiring production level adjustments to reflect the lower demand. Although the large majority of suppliers maintained the required flow of goods to the CNH Industrial's plants since the restart of its manufacturing operations, localized interruptions might still occur in different parts of the world creating additional constraints to the flow of production.

During the first half of 2020, CNH Industrial continued to work to ensure the safety of its people, to maintain business continuity, to preserve its liquidity and to leverage its continued access to funding. CNH Industrial has implemented many actions to reduce costs and protect its financial position, its liquidity and capital structure, and its ratings. Specifically, these measures included reviewing every possible and prudent opportunity to eliminate discretionary operating expenses, accessing public funding and other measures enacted as a response to the global pandemic, reducing capital expenditures and tightly managing inventories. During the first half, CNH Industrial also benefited from the voluntary temporary reduction of compensation to its senior management, including the Acting Chief Executive Officer, the entire Board of Directors and almost 900 members of the management team. Furthermore, as previously announced, as a precautionary measure, the Board of Directors decided to withdraw the dividend distribution previously proposed for payment.

Depending on the duration and extent of the Covid-19 pandemic, CNH Industrial's results of operations, financial condition and cash flows in 2020 may also be significantly negatively impacted by, among other things, further restructuring actions and other non-cash asset impairments, price pressure on new and used vehicles, which may give rise to further reserve requirements, excess inventory, difficulties in collecting financial receivables and subsequent increased allowances for credit losses.

Revenues

Revenues for the first half of 2020 were $11,012 million, a decrease of 21.4% compared to the first half of 2019 (-17.1% on a constant currency basis). Net revenues of Industrial Activities were $10,140 million in the first half of 2019, a decrease of 22.6% compared to the first half of 2019 (-18.4% on a constant currency basis), due to the severe adverse Covid-19 impacts on supply chain and market conditions across all regions and segments, coupled with actions to reduce dealer inventory levels.

Net revenues for Agriculture were $4,780 million, down 14.6% compared to the first half of 2019 (-9.6% on a constant currency basis). The decrease was driven by lower industry volumes across all geographies linked to Covid-19 pandemic partially offset by positive price realization performance across all regions.

For the first half of 2020, worldwide industry unit sales for tractors were down 5% compared to the first half of 2019, while worldwide industry sales for combines were up 3%. In North America, industry volumes in the over 140 hp tractor market sector were down 14% and combines were down 9%. Industry volumes for under 140 hp tractors in North America were up 10%. European markets were down 16% and 23% for tractors and combines, respectively. In South America, the tractor market decreased 10% and the combine market decreased 7%. Rest of World markets decreased 7% for tractors and increased 14% for combines.

Net revenues for Construction were $842 million, down 39.7% compared to the first half of 2019 (-36.6% on a constant currency basis), as a result of deteriorating market conditions across all regions due to Covid-19 pandemic, combined with actions to reduce dealer inventory levels and negative price realization.

During the first half of 2020, Construction's worldwide general equipment industry sales were down 1% compared to the first half of 2019, while worldwide compact and worldwide road building and site equipment industry sales were down 12% and 14%, respectively.

In the first half of 2020 Commercial and Specialty Vehicles' net revenues were $3,759 million, down 26.6% compared to the first half of 2019 (-22.6% on a constant currency basis), driven by decreased volumes across all geographies due to the Covid-19 pandemic.

Powertrain's net revenues were $1,516 million in the first half of 2020, down 30.2% compared to the first half of 2019 (-26.9% on a constant currency basis), due to lower sales volume mainly in Europe as a consequence of Covid-19 pandemic. Sales to external customers accounted for 53% of total net revenues (49% in the first half of 2019).

Financial Services' net revenues totaled $925 million in the first half of 2020, a decrease of 6.6% compared to the first half of 2019 (-0.8% on a constant currency basis), primarily due to pricing and lower average portfolios in North America and Europe, partially offset by a higher average portfolio in South America.

$ million	I Half 2020	2019	% change
Agriculture	**4,780**	5,595	-14.6
Construction	**842**	1,397	-39.7
Commercial and Specialty Vehicles	**3,759**	5,118	-26.6
Powertrain	**1,516**	2,173	-30.2
Elimination and other	**(757)**	(1,188)	-
Total Industrial Activities	**10,140**	13,095	-22.6
Financial Services	**925**	990	-6.6
Eliminations and other	**(53)**	(74)	-
Revenues	**11,012**	14,011	-21.4

Adjusted EBIT

Adjusted EBIT of Industrial Activities was a loss of $283 million in the first half of 2020, compared to adjusted EBIT of $791 million compared to the first half of 2019, strongly impacted by industry demand disruption, negative absorption caused by plant shutdowns and actions to lower inventory levels, only partially compensated by reduced selling, general and administrative costs.

Adjusted EBIT of Agriculture was $229 million in the first half of 2020, a $261 million decrease compared to the first half of 2019. Positive price realization, disciplined cost management, favorable purchasing performance and lower research and development costs were more than offset by lower wholesale volume and market and product mix, negative fixed cost absorption (primarily in Europe) due to manufacturing facility shutdowns, higher product costs, and costs associated with product quality actions. Adjusted EBIT margin was 4.8% (8.8% in the first half of 2019).

Adjusted EBIT of Construction was a loss $169 million, a $200 million decrease compared to the first 2019 profit. The decrease was driven by lower volumes, negative fixed cost absorption due to plant shutdowns, destocking actions, and unfavorable price realization impacted by retail program enhancements in response to Covid-19 impacted market conditions. These were partially offset by cost-cutting actions.

Adjusted EBIT of Commercial and Specialty Vehicles was a loss of $242 million in the first half of 2020 ($184 million profit in the first half of 2019), primarily driven by lower volumes and higher product costs due to plant shutdown, partially offset by positive price realization and lower selling, general and administrative costs.

Adjusted EBIT of Powertrain was $41 million for the first half of 2020, a $143 million decrease compared to the first half of 2019, mainly due to unfavorable volume and mix, partially offset by positive price realization, purchasing and quality efficiencies, cost-containment actions, and lower costs for regulatory programs. Adjusted EBIT margin was 2.7% (8.5% in the first half of 2019).

$ million	I Half 2020	2019	Change amount	*2020 adjusted EBIT margin*	*2019 adjusted EBIT margin*
Agriculture	**229**	490	(261)	**4.8%**	8.8%
Construction	**(169)**	31	(200)	**(20.1)%**	2.2%
Commercial and Specialty Vehicles	**(242)**	184	(426)	**(6.4)%**	3.6%
Powertrain	**41**	184	(143)	**2.7%**	8.5%
Unallocated items, elimination and other	**(142)**	(98)	(44)	**-**	-
Total Industrial Activities	**(283)**	791	(1,074)	**(2.8)%**	6.0%
Financial Services	**196**	250	(54)	**21.2%**	25.3%
Eliminations and other	**-**	-	-	**-**	-
Adjusted EBIT	**(87)**	1,041	(1,128)	**(0.8)%**	7.4%

The following table is the reconciliation of Net income to Adjusted EBIT (non-GAAP measure).

	I Half	
$ million	2020	2019
Net (loss) profit	**(1,294)**	654
Add back:		
Financial expenses	**129**	135
Income tax expenses	**(116)**	216
Adjustments:		
Goodwill impairment loss	**576**	-
Restructuring costs	**12**	36
Other discrete items(1)	**606**	-
Adjusted EBIT	**(87)**	1,041

(1) Primarily includes impairment of intangibles and other long-lived assets, as well as asset optimization charges.

Net Industrial debt

The increase in Net Debt at 30 June 2020 compared to 31 December 2019 mainly reflects exchange rate differences for €0.8 billion; excluding this effect Net Debt increased by $0.1 billion, reflecting Free Cash Flow of Industrial Activities usage of $1.3 billion in the first half of 2020, mainly due to the adverse Covid-19 impact, partially offset by a reduction in third party debt of Financial Services (in line with the portfolio reduction).

$ million	30/06/202020	31/12/2019	Change
Third party debt (1)	**(24,959)**	(25,413)	454
Cash and cash equivalents	**5,868**	5,773	95
Other/financial asset/(liabilities)(2)	**(173)**	10	(163)
(Net debt)/Cash(3)	**(18,918)**	(19,630)	712
Industrial Activities	**(2,713)**	(1,403)	(1,310)
Financial Services	**(16,205)**	(18,227)	(2,022)

(1) As a result of the role played by the central treasury, debt for Industrial Activities also includes funding raised by the central treasury on behalf of Financial Services.
(2) Including fair value of derivative financial instruments.
(3) The net intersegment (receivable)/payable balance owed by Financial Services to Industrial Activities was -$120 million and -$194 million as of 30 June 2020 and 31 December 2019, respectively.

2020 Outlook (US GAAP)

CNH Industrial manages its operations, assesses its performance and makes decisions about allocation of resources based on financial results prepared only in accordance with U.S. GAAP, and, accordingly, its full year guidance presented below had been prepared under U.S. GAAP.

While uncertainties regarding the evolution of the Covid-19 pandemic remain, CNH Industrial will continue to look at the evolution of the current extraordinary circumstances and to work on its priorities, focusing its efforts on selecting the optimal response strategies to a still evolving scenario.

CNH Industrial is committed to thrive and deliver profitable growth in the new normal, and assuming no further widespread activation of lockdown policies in its main jurisdictions, is providing the following outlook for the year:

- Net sales of Industrial Activities (reflecting the exchange rate of 1.11 EUR/USD) expected to be down between 15% and 20% including currency-translation effects, due to Covid-19 impact on market conditions across all regions and segments;
- Free cash flow of Industrial Activities to remain negative for the full year despite an expected cash generation in the second half of the year as a result of continued cash preservation measures and a normalized seasonality of sales;
- Solid available liquidity level to be maintained throughout the year, with opportunistic resource allocations to respond to the current evolving scenario.

CNH Industrial will continue to communicate with financial markets and with all other stakeholders as the implications of the evolving business environment for its operations and performance could change depending on the duration and extent of the pandemic. In particular, the CNH Industrial's results of operations, financial condition and cash flows in 2020 may also be significantly negatively impacted by, among other things, further restructuring actions and other non-cash asset impairments, price pressure on new and used vehicles, which may give rise to further reserve requirements, excess inventory, difficulties in collecting financial receivables and subsequent increased allowances for credit losses. The quarterly fair value remeasurement of CNH Industrial investment in Nikola Corporation might also significantly impact the CNH Industrial reported results in future quarters given the recent volatility of the Nikola share price. However, this noncash impact will be consistently excluded from the calculation of CNH Industrial Non-GAAP "Adjusted" measures, and, in particular, from the Adjusted diluted EPS.

(63.77% of share capital)

The following information refers to the accounting data for the period 1 January – 30 June 2020 drawn up by Juventus F.C. for the purposes of the preparation of the half-year condensed consolidated financial statements of EXOR Group at 30 June 2020.

€ million	I Half ended 30/06/2020	30/06/2019	Change
Revenues	**248**	291	(43)
Operating costs	**(153)**	(232)	(79)
Operating loss	**(9)**	(32)	(23)
Loss for the period	**(19)**	(47)	(28)

€ million	30/06/2020	31/12/2019	Change
Shareholders' equity	**260**	276	(16)
Net financial debt	**385**	327	(58)

For a correct interpretation of the data, it should be noted that the financial year of Juventus does not coincide with the calendar year but covers the period 1 July–30 June, which corresponds to the football season. The accounting data under examination thus represents the second half of operations for the financial year 2019/2020.
Interim data are prepared only for EXOR consolidated reporting purpose and cannot be construed as representing the basis for a Juventus full-year projection.
Profit performance is characterized by the highly seasonal nature typical of the sector, determined mainly by the calendar of football events and the two phases of the players' Transfer Campaign.
The financial position and cash flows of the company are also affected by the seasonal nature of the income components; in addition, some revenue items are collected in a period different from the period to which they refer.

Covid-19

Since January 2020 the national and international scene has been dominated by the spread of the Covid-19 virus and the restrictive containment measures taken by the administrative, health and sports authorities of the various countries. These measures led, in particular, to the suspension of the 2019/2020 football competitions in which Juventus was competing. At the national level, the Series A Championship was suspended by the FIGC on 10 March 2020, in compliance with the provisions of the Decree of the President of the Council of Ministers dated 9 March 2020, at which point the First Team was in first place in the classification after 26 days and was awaiting the return match in the Coppa Italia semi-finals. The national competitions restarted on 12 June 2020 with the return match in the Coppa Italia semi-finals and, on 22 June 2020, with the twenty-seventh match in the Series A Championship.
Internationally, in February the First Team played the away game in the round of 16 of the UEFA Champions League against Olympique Lyonnais and played the home game on 7 August. The competition ended with a single match knock-out phase for 8 teams in Lisbon from 12 August to 23 August.
It should also be noted that the restrictive measures adopted by the various authorities, in addition to preventing access of the public to the museum and shops for several weeks (the latter remained closed until 17 May 2020) with a consequent fall in merchandising revenues, also made it impossible for the public to attend matches with a consequent fall in match revenues and the reimbursement pro-quota of 2019/2020 season tickets as well as of tickets for matches already sold. Further Juventus is exposed to risks deriving from demands for reductions in 2019/2020 fees for broadcasting rights and sponsorships and from difficulties in concluding new commercial contracts, with negative effects on the financial position and results of Juventus. It is considered that the amounts provided in the year for risks and the risk provisions carried are adequate and reflect correctly the possible negative impact of such demands.
In these circumstances, to mitigate in part the economic and financial impact of the suspension of sports activities, Juventus made an agreement with the players and coach of the First Team which provided for the reduction of their 2019/2020 season remuneration by an amount equal to the monthly pay for March, April, May and June 2020. The economic and financial effect of this agreement amounts to a positive €90 million for the financial year 2019/2020. Juventus, the players and technical staff involved will in good faith seek to negotiate an integration of the future remuneration based on how the 2019/2020 season's sports competitions are resumed and completed.
The 2019/2020 Series A Championship restarted on 22 June 2020 with all programmed matches being played and was concluded on 3 August with a victory for the First Team.

Following the postponement of national and international competitions due to the Covid-19 health emergency, the first phase of the 2020/2021 season Transfer Campaign will be held in the period from 1 September 2020 to 5 October 2020; in its development transactions may be carried out whose effects, if negative and significant, could lead to the need to make further write-downs and/or provisions in application of the accounting standards of reference for the purposes of the preparation of the Juventus annual financial statements at 30 June 2020.

The loss for the period (1 January to 30 June 2020) amounts to €19 million, an improvement of €28 million compared to the loss of €47 million in the corresponding period of the preceding year. This performance is substantially due to lower player and technical staff remuneration costs for+€72 million, to other minor operating cost reductions for +€6 million and to a lower taxation charge for the period for +€5 million, partially offset by lower revenues for -€43 million, a higher charge for amortization of players' registration rights for -€10 million, higher other depreciation and amortization for -€3 million mainly due to first application of IFRS 16 and other net positive changes for +€1 million.

2020/2021 Outlook

The 2020/2021 football season will start later in the year than is usual, as a result of the prolongation of the 2019/2020 season. At present, the first match of the Series A Championship is planned for September.
Nevertheless, with the global health crisis in continuous evolution the competitions calendar could undergo changes and there is still uncertainty about the possibility of admitting spectators to the stadiums when matches are being played.
Further, the effects of the pandemic could extend to the economic sectors in which Juventus' partners operate, with possible negative repercussions on relations with such partners. At the level of final consumer demand too, the impact of the pandemic on the national and global economy could be negative for the Juventus' consumer businesses. Finally, with regard to the market for players' registration rights, it is likely that there will be reductions in both the number of transactions and in the related transaction values although, due to the particular nature of the sector, estimation of the effect is very difficult.
Accordingly, these uncertainties, together with the customary uncertainty of sports results, make it extremely difficult to formulate a forecast of the Juventus' economic and financial performance. At present, the financial year is expected to close with a loss.

(88.37% of share capital)

The following information refers to the key consolidated figures of GEDI for the first half of 2020.
For a correct interpretation of the data, it should be noted that the income statement data prepared for EXOR consolidated reporting purpose reflect the period 1 May 2020 to 30 June 2020, considering that the acquisition date is 30 April 2020.

	I Half		
€ million	2020	2019	Change
Net revenues	**249**	303	(54)
Gross operating profit	**(12)**	20	(32)
Adjusted operating profit	**(20)**	8	(28)
Net loss from continuing operations	**(121)**	(2)	(119)
Net loss (including discontinued operations)	**(121)**	(19)	(102)

€ million	30/06/2020	31/12/2019	Change
Shareholders' equity	**274**	394	120
Net financial debt	**112**	99	13

Covid-19

Results in the first half of 2020 have been significantly affected by the spread of the Covid-19 virus and the consequent restrictions needed for its containment introduced by national and local authorities. All Group brands have further consolidated their central position and authority in providing accurate information to readers, recording particularly significant increases in digital traffic.
In this context, GEDI prioritized actions to guarantee the health and safety of its workforce and swiftly adopted a series of measures for further rationalization and reduction of costs, aimed at containing the economic and financial effects deriving from the sudden drop in advertising revenue, whilst continuing investment according to the strategic guidelines identified.
To contain the economic repercussions, GEDI also introduced and put in place a series of containment and reduction measures regarding all the main cost items, intervening more specifically on the structure of publications, existing contracts with suppliers and freelance workers, by renegotiating tariffs and fees, on labour costs by seeking recourse to the social safety nets made available by the Government, as well as with the voluntary reduction of managers' fixed remuneration from May - December 2020.

Revenues

€ million	I Half 2020	I Half 2019	Change
Circulation	**126**	135	(9)
Advertising	**102**	147	(45)
Add-ons and others	**21**	21	(0)
Total	**249**	303	(54)

Consolidated revenues totaled €249 million, down by 17.8% compared to the first half of 2019. Revenues from digital activities accounted for 14.2% of consolidated revenues (18.4% on the Repubblica brand). Circulation revenues, for €126 million decreased by 6.6% compared to the corresponding period the previous year. The effects of Covid-19 and restrictive measures introduced at regional and national level affected negatively on the performance of sales at newsstands.

Meanwhile, sales of digital subscriptions confirmed their positive trend, supported both by continued actions to maximize consumer-base and increased new activations following growing attention of readers to news regarding the spread of Covid-19. In this context, a promotional policy was introduced for premium products and on annual dual-copy subscriptions.
All these measures increased the customer base, which at the end of June had reached 231 thousand subscriptions across all the GEDI publications, almost double the amount at the end of the same month in 2019, and higher by about 104 thousand subscriptions compared to the end of December 2019.
Advertising revenues at €102 million, were down by 30.8% compared to the first half of 2019. The drop can essentially be attributed to Covid-19.
With reference to the Group's different platforms, over the six-month period, print advertising was down 31.9% and radio 41.6%. The drop in internet advertising revenues was slightly less marked, at -8.1%

Net loss

Net loss for the first half of 2020 was €121 million, including the impairment losses on goodwill of publications of €74 million net of taxes, restructuring expenses in addition to the extraordinary components impacting on net profit for €6 million. Over the six-month period, impairment losses of €6 million were also recorded on the investment held in Editoriale Libertà and Editoriale Corriere di Romagna and €9 million for adjustments on deferred tax assets due to the worsening forecasts for the recovery of previous tax losses due to Covid-19.
Net loss for the first half of 2019 included the impairment loss of €17 million on the investment held in Persidera (discontinued operation).

2020 Outlook

In a context of visibility that remains poor, certain leading operators in the sector forecast that the advertising revenue market may experience a drop of between 15% and 20% in 2020 based on the various scenarios for predicted Covid-19 effects. A drop of these proportions has only been seen during the 2012 financial crisis, where the market fell -14.3%. With the current situation, all elements feeding into forecasts for the year remain significantly uncertain, given that these depend, inter alia, on the development of the pandemic and the effects in coming months of the public measures that have already been and are still to be implemented. The circumstances listed render any forecast that the company can formulate extremely uncertain. GEDI is focused on doing everything within its power to manage the crisis: it has implemented further measures to reduce costs and contain expenditure on investments that are not strictly necessary. It is regularly reassessing liquidity positions, through dialogue with its financial partners, and continues to adopt all health and safety measures required to safeguard its employees, as defined and requested by the various local authorities. GEDI believes that it has adequate leverage to guarantee a positive outlook over the medium-long term, even in a macroeconomic context that has inevitably been compromised for 2020.

RISK FACTORS
SUBSEQUENT EVENTS AND
2020 OUTLOOK

EXOR RISK FACTORS

The management of EXOR Group believes that the risk factors identified for the six months ended 30 June 2020 are in line with the main risks to which EXOR is exposed. Those risks were identified and discussed in the 2019 Annual Report, in the Risk factors section, that already included the Covid-19 risk description.

The organizational structure and management of accounting and financial information for the preparation of the 2020 Half-year Financial Report are in line with the structure and processes applicable for the 2019 annual closing, as disclosed in the Risk management, risk and control system section of the 2019 Annual Report.

RISK FACTORS FROM SUBSIDIARIES

The risks and uncertainties identified for the six months ended 30 June 2020 by the subsidiaries are in line with the main risks and uncertainties to which the same are exposed which were identified and discussed in the 2019 Annual Report, in the Risk factors section under each subsidiary's own section, except for the risk associated with Covid-19 that supplements the risk factors identified and discussed in the Annual Report.

All the subsidiaries of EXOR published in their respective semi-annual reports a summary of the Covid-19 impacts and actions taken by each to reduce the negative effects deriving from the business interruptions, outbreaks or similar public health crises that could cause disruption to the manufacture and sale of their products and could have adversely impact their business.

SUBSEQUENT EVENTS AND 2020 OUTLOOK

Subsequent events

Execution of the reinvestment of CIR and Mercurio in GEDI

On 13 July 2020, in accordance with the agreements signed among the entities, CIR and Mercurio acquired from EXOR, for the same consideration in relation to the launched mandatory tender offer equal to €0.46 per share, a stake in Giano Holding corresponding to the 5% in transparency of the issued share capital of GEDI. The total consideration was of €23 million.

Finalization of the acquisition of the controlling stake in GEDI

On the basis of the final results of the mandatory tender offer, the conditions for the exercise of the Acquisition Obligation were fulfilled and therefore Giano Holding was required to purchase the remaining ordinary shares of GEDI in circulation (Sell Out phase). The period for the submission of the requests for sale took place from 7 July 2020 to 30 July 2020 (included).

On 29 July 2020 Giano Holding held in excess of 95% of the share capital of GEDI (taking into account the treasury shares), allowing the joint procedure with Consob and Borsa Italiana (Squeeze Out phase) to take place in order to reach the 100% of the share capital of GEDI and the delisting of the shares.

On 10 August 2020 Giano Holding completed the Squeeze Out phase acquiring the residual ordinary shares of GEDI (4.26% of the issued share capital) for a total consideration of €10 million.

On the same date, Borsa Italiana ordered the delisting of the ordinary shares of GEDI from the Market Telematico Azionario (MTA).

Cooperation agreement with Covéa

On 3 August 2020 EXOR reached an agreement with Covéa Coopérations S.A. under which Covéa will invest a total amount of €1.5 billion with EXOR and in special purpose reinsurance vehicles managed by PartnerRe.

A total amount of €750 million will be allocated for investment opportunities alongside EXOR. A further total amount of €750 million, with a three to five year lock-up period, will be allocated in a number of special purpose insurance vehicles managed by PartnerRe, investing in property catastrophe and other short-tail reinsurance contracts. A €500 million investment in special purpose insurance vehicles will be made on 1 January 2021 with an additional €250 million investment to be made prior to or on 1 January 2024.

2020 Outlook

EXOR N.V. does not prepare budgets or business plans, nor does it publish forecast data or data on the basis of which it is possible to calculate forecast data.
Certain EXOR operating subsidiaries (FCA, Ferrari, CNH Industrial, GEDI) publish forecast data on their performance.

Other operating subsidiaries (PartnerRe and Juventus Football Club) publish information on the foreseeable outlook. Additional information is provided under “Review of the performance of the Operating Subsidiaries” in the Board Report.

The forecast data and information of the abovementioned operating companies are drawn up autonomously and communicated by the respective companies and are not homogeneous. Quantitative forecast disclosures prepared by these operating companies and the type of information provided, as well as the underlying assumptions and calculation methods vary according to the accounting principles applicable to each subsidiary and the conventional application practices in the respective sector of reference.

EXOR N.V. in fact, is a holding company without a specific business of reference, head of a diversified and non-integrated group that operates in different segments and does not exercise direction and coordination activities over its subsidiaries, which operate in a completely independent manner.

EXOR N.V. deems that the forecasted data and information of the subsidiaries are not significant or suitable for the purposes of providing indications about the prospective economic trend of EXOR N.V.’s operations, nor represent a forecast or estimate of the company’s results. Therefore, in assessing EXOR N.V.’s future prospects it is not possible to rely on the data and prospective information published by the aforesaid operating subsidiaries.

Exor

Half-year Condensed Consolidated Financial Statements at 30 June 2020

HALF-YEAR CONDENSED CONSOLIDATED INCOME STATEMENT (unaudited)

		Half years ended 30 June	
(€ million)	**Note**	**2020**	**2019**
Net revenues	6	46,791	68,920
Cost of revenues		(42,944)	(57,616
Selling, general and administrative expenses		(3,778)	(4,586)
Research and development costs		(2,360)	(2,301)
Other income (expenses), net	7	(569)	(79)
Result from investments		89	151
Net financial expenses	8	(605)	(679)
Profit (loss) before taxes		**(3,376)**	**3,809**
Tax expense	9	(611)	(887)
Net profit (loss) from continuing operations		**(3,987)**	**2,923**
Profit from discontinued operations, net of tax		-	3,970
Net profit (loss)		**(3,987)**	**6,893**
Net Profit (loss) attributable to:			
Owners of the parent		*(1,318)*	*2,427*
Non-controlling interests		*(2,669)*	*4,466*
Net Profit (loss) from continuing operations attributable to:			
Owners of the parent		*(1,318)*	*1,289*
Non-controlling interests		*(2,669)*	*1,634*
Earnings per share (in €)	10		
Basic earnings per share		(5.69)	10.45
Diluted earnings per share		(5.69)	10.40
Earnings per share from continuing operations (in €)	10		
Basic earnings per share		(5.69)	5.55
Diluted earnings per share		(5.69)	5.51

HALF-YEAR CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(unaudited)

		Half years ended 30 June	
(€ million)	Note 19	2020	2019
Profit (loss) for the year (A)		**(3,987)**	**6,893**
Items that will not be reclassified to the Consolidated Income Statement in subsequent periods:			
Gains (losses) on remeasurement of defined benefit plans		(2)	-
Share of gains (losses) on remeasurement of defined benefit plans for equity method investees		-	-
Gains (losses) on financial assets at fair value through other comprehensive income	13	1,326	(1)
Related tax effect		(6)	-
Items relating to discontinued operations, net of tax		-	(9)
Total items that will not be reclassified to the Consolidated Income Statement in subsequent periods, net of tax (B1)		**1,318**	**(10)**
Items that may be reclassified to the Consolidated Income Statements in subsequent periods:			
Gains (losses) on cash flow hedging instruments		(232)	(197)
Foreign exchange gains (losses)		(1,334)	361
Share of other comprehensive income (loss) of equity method investees		(76)	(25)
Related tax effect		84	55
Items relating to discontinued operations, net of tax		-	9
Total items that may be reclassified to the Consolidated Income Statement in subsequent periods, net of tax (B2)		**(1,558)**	**203**
Total Other Comprehensive Income (Loss), net of tax (B)=(B1)+(B2)		**(240)**	**193**
Total Comprehensive Income (Loss) (A)+(B)		**(4,227)**	**7,086**
Total Comprehensive Income (Loss) attributable to:			
Owners of the parent		(1,457)	2,520
Non-controlling interests		(2,770)	4,566
Total Comprehensive Income (Loss) attributable to owners of the parent:			
Continuing operations		(1,457)	1,381
Discontinued operations		-	1,139

HALF-YEAR CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (unaudited)

(€ million)	Note	At 30 June 2020	At 31 December 2019
Assets			
Intangible assets	11	35,057	35,067
Property, plant and equipment	12	35,540	36,710
Investments and other financial assets	13	7,028	5,400
Deferred tax assets		2,152	2,584
Inventories	14	17,555	18,057
Trade and other receivables	15	25,296	27,889
Investments of reinsurance companies	16	14,897	14,664
Other assets		7,867	8,923
Assets held for sale		317	381
Cash and cash equivalents	18	22,594	22,935
Total Assets		**168,303**	**172,611**
Equity and Liabilities			
Equity attributable to owners of the parent	19	13,403	15,025
Non-controlling interests		24,601	27,534
Total Equity		**38,004**	**42,559**
Liabilities			
Provisions for employee benefits		10,670	10,806
Other provisions	21	14,940	16,927
Technical reserves reinsurance companies	22	14,084	13,548
Deferred tax liabilities		2,247	2,062
Financial debt and other financial liabilities	23	52,770	43,499
Trade payables		21,077	27,611
Tax payables		648	604
Other liabilities	24	13,691	14,761
Liabilities held for sale		172	234
Total Liabilities		**130,299**	**130,052**
Total Equity and Liabilities		**168,303**	**172,611**

HALF-YEAR CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)

		Half years ended 30 June	
(€ million)	**Note**	**2020**	**2019**
Cash flows from operating activities:			
Profit (loss) from continuing operations		(3,987)	2,923
Amortization and depreciation		3,446	3,543
Gains on disposal of non-current assets		(74)	(223)
Other non-cash items (1)		1,789	(352)
Dividends received		101	77
Change in provisions		(2,067)	(1,442)
Change in deferred taxes		459	312
Change in inventories, trade and other receivables and payables		(5,738)	24
Cash flows from operating activities – discontinued operations		-	(308)
Total		**(6,071)**	**4,555**
Cash flows used in investing activities:			
Investments in property, plant and equipment and intangible assets		(4,584)	(3,988)
Investments in joint ventures, associates, unconsolidated subsidiaries and financial assets		(330)	(83)
Consideration paid for the acquisition of GEDI net of cash and cash equivalents acquired	3	(170)	-
Net change in Investments of Reinsurance companies (PartnerRe Group)		(470)	568
Proceeds from disposal of investments, tangible, intangible and financial assets		83	70
Net change in financial receivables		1,628	(254)
Net change in securities		298	(113)
Other changes		(6)	45
Net cash proceeds from disposal of discontinued operations		-	5,348
Cash flows used in investing activities – discontinued operations		-	(155)
Total		**(3,550)**	**1,438**
Cash flows used in financing activities:			
Issuance of notes	23	1,309	1,214
Repayment of notes	23	(1,376)	(550)
Issuance of other long-term debt (net of repayment)	23	10,102	(888)
Net change in short-term debt and other financial assets/liabilities		(13)	(553)
Capital increase of subsidiaries		18	-
Exercise of stock options		-	(172)
Buyback of treasury shares		-	(196)
Dividends paid		(247)	(2,600)
Other changes		(141)	(2)
Cash flows used in financing activities – discontinued operations		-	325
Total		**9,652**	**(3,422)**
Translation exchange differences		(376)	114
Total Change in Cash and Cash Equivalents		**(345)**	**2,685**
Cash and cash equivalents at beginning of the period		**22,935**	**19,136**
Add: Cash and cash equivalents at the beginning of the period included in Assets held for sale		17	719
Total Change in Cash and Cash Equivalents		(345)	2,685
Less: Cash and cash equivalents at end of the period included in Assets held for sale		13	-
Cash and cash equivalents at end of the period		**22,594**	**22,540**

(1) In the first-half 2020 mainly referred to the impairment losses recognized in the income statement on Goodwill, development expenditure previously capitalized, property, plant and equipment and inventories.

HALF-YEAR CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)

(€ million)	Share capital	Treasury stock reserve	Other reserves	Cash flow hedge reserve	Currency translation differences	Financial assets measured at FVTOCI	Remeasure-ment of defined benefit plans	Cumulative share of OCI of equity method investments	Total Owners of the parent	Non-controlling interests	Total
At 31 December 2018	**2**	**(62)**	**12,738**	**61**	**27**	**(34)**	**(230)**	**(292)**	**12,210**	**24,235**	**36,445**
Impact from the adoption of IFRS 16	-	-	-	-	-	-	-	-	**-**	-	**-**
At 1 January 2019	**2**	**(62)**	**12,738**	**61**	**27**	**(34)**	**(230)**	**(292)**	**12,210**	**24,235**	**36,445**
Share-based compensation	-	-	42	-	-	-	-	-	**42**	55	**97**
Buyback of treasury shares	-	(196)	-	-	-	-	-	-	**(196)**	-	**(196)**
Dividends declared	-	-	(100)	-	-	-	-	-	**(100)**	(2,538)	**(2,638)**
Total comprehensive income	-	-	2,427	(43)	147	(1)	(2)	(7)	**2,520**	4,568	**7,088**
Effect of the change in the percentage ownership of companies[(a)]	-	-	(72)	-	(2)	-	2	1	**(71)**	71	**0**
Sale of discontinued operations	-	-	(31)	(2)	28	-	31	-	**26**	18	**44**
Other changes	-	-	(44)	-	-	-	-	-	**(44)**	(135)	**(179)**
At 30 June 2019	**2**	**(258)**	**14,960**	**16**	**202**	**(35)**	**(201)**	**(299)**	**14,387**	**26,281**	**40,668**

(a) Of which +€4 million related to CNH Industrial Group, +€2 million related to Ferrari, -€78 million related to the FCA Group.

(€ million)	Share capital	Treasury stock reserve	Other reserves	Cash flow hedge reserve	Currency translation differences	Financial assets measured at FVTOCI	Re-measure-ment of defined benefit plans	Cumulative share of OCI of equity method investments	Total Owners of the parent	Non-controlling interests	Total
At 31 December 2019	**2**	**(269)**	**15,553**	**7**	**313**	**(43)**	**(258)**	**(280)**	**15,025**	**27,534**	**42,559**
Share-based compensation	-	-	16	-	-	-	-	-	**16**	34	**50**
Capital increase by subsidiaries	-		-	-	-	-	-	-		2	**2**
Dividends declared	-	-	(100)	-	-	-	-	-	**(100)**	(161)	**(261)**
Total comprehensive income	-	-	(1,318)	(45)	(424)	358	(3)	(25)	**(1,457)**	(2,770)	**(4,227)**
Acquisition of GEDI	-	-	-	-	-	-	-	-	**-**	24	**24**
Effect of the change in the percentage ownership of companies[(b)]	-	-	(31)	-	(2)	-	(1)	(1)	**(35)**	35	**0**
Other changes	-	-	(46)	-	-	-	-	-	**(46)**	(97)	**(143)**
At 30 June 2020	**2**	**(269)**	**14,074**	**(38)**	**(113)**	**315**	**(262)**	**(306)**	**13,403**	**24,601**	**38,004**

(b) Of which -€3 million related to CNH Industrial Group, +€1 million related to Ferrari, -€33 million related to the FCA Group.

NOTES TO THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information on the activities of the Group

EXOR N.V. ("EXOR" or the "Company" and together with its subsidiaries the "EXOR Group" or the "Group"), was incorporated as a public limited company (*naamloze vennootschap*) under the laws of the Netherlands on 30 September 2015 and in 2016 became the holding company for the EXOR Group following the cross-border merger with EXOR S.p.A. (the "Merger").

EXOR is one of Europe's leading diversified holding companies and is controlled by Giovanni Agnelli B.V., which holds 52.99% of its share capital.

EXOR and its subsidiaries operate through Fiat Chrysler Automobiles N.V. and its subsidiaries ("FCA" or the "FCA Group") in the automotive industry, CNH Industrial N.V. and its subsidiaries ("CNH Industrial" or the "CNH Industrial Group") in agricultural equipment, construction equipment and commercial vehicles, PartnerRe Ltd and its subsidiaries ("PartnerRe" or the "PartnerRe Group") in the reinsurance sector, Ferrari N.V. and its subsidiaries ("Ferrari" or the "Ferrari Group") in luxury performance sports car, GEDI Gruppo Editoriale S.p.A. and its subsidiaries ("GEDI" or the "GEDI Group") in the media sector and Juventus Football Club S.p.A. ("Juventus") in the professional football sector.

2. Basis of preparation and significant accounting policies

Authorization of Half-year Condensed Consolidated Financial Statements and Compliance with International Financial Reporting Standards

The accompanying Half-year condensed consolidated financial statements together with the notes thereto (the "Half-year Condensed Consolidated Financial Statements") of EXOR at 30 June 2020 were authorized for issuance on 3 September 2020 and have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and as adopted by the European Union (EU-IFRS). The designation "IFRS" also includes International Accounting Standards ("IAS"), as well as all interpretations of the IFRS Interpretations Committee ("IFRIC").

The Half-year Condensed Consolidated Financial Statements, which have been prepared in accordance with IAS 34 – Interim Financial Reporting, do not include all of the information and notes required for complete financial statements and should be read in conjunction with the audited annual consolidated financial statements as of and for the year ended 31 December 2019 included within the 2019 Annual Report (the "EXOR Consolidated Financial Statements at 31 December 2019"). The accounting policies are consistent with those used at 31 December 2019, except as described in the section "New standards and amendments effective from 1 January 2020" below.

Basis of preparation

The preparation of the Half-year Condensed Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the Half-year Condensed Consolidated Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. The Half-year Condensed Consolidated Financial Statements include all adjustments considered necessary by management to fairly state the Group's results of operations, financial position and cash flows. See note 2 "Basis of preparation and significant accounting policies", paragraph "Use of estimates", in the EXOR Consolidated Financial Statements at 31 December 2019.

The Group's presentation currency is the Euro, which is also the functional currency of the Company and, unless otherwise stated, information is presented in millions of Euro.

The Group presents the income statement using a classification based on the function of expenses, rather than a presentation based on the nature of expenses, as it is more representative of the format used for internal reporting and management purposes and consistent with international practice.

The statement of cash flows is presented using the indirect method.

The subsidiaries have prepared their data for purposes of the EXOR Group's consolidated financial statements consistently with the classification and presentation indicated above.

COVID-19 impacts

During the first half of 2020, the Covid-19 virus spread worldwide and was declared a pandemic by the World Health Organization on 11 March 2020. The virus causing potentially deadly respiratory tract infections has negatively affected and continues to negatively affect economic conditions regionally as well globally, disrupt operations in countries particularly exposed to the contagion, affect supply chains or otherwise impact EXOR's businesses and the assessment of the ability to continue as a going concern.
Governments around the world imposed travel bans, quarantines, restrictions on travel and the movement and gathering of people, as well as restrictions on commercial activity and other emergency public safety measures, some of which are still applicable or partly withdrawn.
As the severity of the Covid-19 pandemic became apparent, EXOR companies took actions to protect their employees and communities, as well as strengthen their financial position and limit the impact on their financial performance. FCA, CNH Industrial and Ferrari temporarily suspended productions (as of today partially restarted) across the majority of their manufacturing plants and certain other activities and implemented remote working arrangements, where feasible across all regions. In addition, all sport events and activities in which Juventus is involved were temporarily suspended and then restarted in the second-half of 2020.
These measures, although temporary in nature and only partially lifted as a function of the decisions adopted by the countries where such companies operate, may either continue, be reintroduced or increase depending on future developments with regard to the virus' outbreak which are currently unknown.
The contraction of global demand, temporary suspensions of productions and increase of general uncertainty about the future due to the Covid-19 pandemic, significantly contributed to reduced consolidated revenues, expected future cash flow and therefore had significant negative impact on the Group's results for the six months ended 30 June 2020. Therefore, the Half-year Condensed Consolidated Financial Statements reflects the condition at the time of preparation, including the uncertainty and the impact of significant accounting policies disclosed in the notes and in particular in the notes 9 Tax expense, 11 Intangible assets and 12 Property, plant and equipment.

New standards and amendments effective from 1 January 2020

The following amendments and interpretations, which were effective from 1 January 2020, were adopted by the Group. The adoption of these amendments had no material impact on the Half-Year Condensed Consolidated Financial Statements.

Amendment to IFRS 3 – Business Combinations

In October 2018 the IASB issued narrow scope amendments to IFRS 3 – Business Combinations to improve the definition of a business. The amendments aim to help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the definition of a business, supplementary guidance is provided.

Amendments to IAS 1 and IAS 8 – Definition of Material

In October 2018 the IASB issued amendments to IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors to clarify the definition of 'material', as well as how materiality should be applied by including in the definition guidance that is included elsewhere in IFRS standards. In addition, the explanations accompanying the definition have been improved and the amendments ensure that the definition of material is consistent across all IFRS standards.

Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7), which modifies some specific hedge accounting requirements to provide relief from the potential effects of uncertainty caused by IBOR reform. In addition, the amendments require companies to provide additional information to investors about hedging relationships directly affected by these uncertainties.

New standards and amendments effective from 1 June 2020

In May 2020, the IASB issued an amendment to IFRS 16 – Leases to make it easier for lessees to account for Covid-19 related rent concessions such as rent holidays and temporary rent reductions. The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to Covid-19-related rent concessions that reduce lease payments due on or before 30 June 2021. The amendment does not affect lessors. The amendment is effective 1 June 2020 but can be applied immediately to any financial statements (interim or annual) not yet authorized for issue. The amendment, voluntary and not yet endorsed by the EU, was not adopted by EXOR.

New standards and amendments not yet effective and not early adopted

Reference should be made to the paragraph "new standards, amendments and interpretations not yet effective issued by the IASB and not yet endorsed by the EU" within the EXOR Consolidated Financial Statements at 31 December 2019, for a detailed description of new standards not yet effective at 30 June 2020. Furthermore:

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1), which affects the requirements in IAS 1 for the presentation of liabilities, including clarifying one of the criteria for classifying a liability as non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier adoption permitted. The Group does not expect any impact from the adoption of these amendments.

Annual Improvements to IFRSs 2018-2020

In May 2020, the IASB issued Annual Improvements to IFRSs 2018-2020, which includes amendments to the following standards: updating a reference in IFRS 3 – Business Combinations to the Conceptual Framework for Financial Reporting and minor amendments to IFRS 1 – First-time Adoption of International Financial Reporting Standards, IFRS 9 – Financial Instruments, IAS 41 – Agriculture and the Illustrative Examples accompanying IFRS 16 – Leases. The amendments are effective 1 January 2022. The Group is analyzing the impact of the adoption of this amendments.

IFRS 17 – Insurance contracts

In May 2017, the IASB issued IFRS 17 – Insurance Contracts ("IFRS 17"), which replaces IFRS 4 – Insurance Contracts, establishing principles for the recognition, measurement, presentation and disclosure of insurance contracts issued as well as guidance relating to reinsurance contracts held and investment contracts with discretionary participation features issued. IFRS 17 requires all insurance contracts to be accounted for in a consistent manner and insurance obligations to be accounted for using current values, instead of historical cost. The new standard requires current measurement of the future cash flows and the recognition of profit over the period that services are provided under the contract. IFRS 17 also requires entities to present insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses and requires an entity to make an accounting policy choice of whether to recognize all insurance finance income or expenses in profit or loss or to recognize some of those income or expenses in other comprehensive income. IFRS 17 is effective for annual periods beginning on or after 1 January 2021 with earlier adoption permitted. However, in June 2020 the IASB issued amendments to IFRS 17 aimed at helping companies implement the standard and making it easier for them to explain their financial performance. The fundamental principles introduced when the Board first issued IFRS 17 in May 2017 remain unaffected. The amendments, which respond to feedback from stakeholders, are designed to: reduce costs by simplifying some requirements in the Standard; make financial performance easier to explain; and ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying IFRS 17 for the first time. The Group is analyzing the impact of the adoption of this standard.

IAS 16 – Property, Plant and Equipment

In May 2020 the IASB issued amendments to IAS 16 – Property, Plant and Equipment. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.

Instead, a company should recognize such sales proceeds and the related cost in the income statement. These amendments are effective on or after 1 January 2022. The Group does not expect any material impact from the adoption of these amendments.

IAS 37 – Provisions, Contingent Liabilities and Contingent Assets

In May 2020 the IASB issued amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, which specify which costs a company includes when assessing whether a contract will be loss-making. These amendments are effective on or after 1 January 2022. The Group does not expect any material impact from the adoption of these amendments.

Exchange rate

The principal exchange rates used to translate other currencies into Euro are as follows:

	H1 2020		At 31 December	H1 2019	
	Average	At 30 June	2019	Average	At 30 June
U.S. dollar	1.102	1.12	1.123	1.13	1.138
Brazilian real	5.41	6.112	4.516	4.342	4.351
Chinese renminbi	7.751	7.922	7.821	7.668	7.819
Polish zloty	4.412	4.456	4.257	4.292	4.25
Argentinian peso	78.89	78.89	67.258	48.331	48.331
British pound	0.875	0.912	0.851	0.874	0.897
Swiss franc	1.064	1.065	1.085	1.129	1.111
Mexican peso	23.843	25.947	21.22	21.654	21.82
Canadian dollar	1.503	1.532	1.460	1.507	1.489

3. Scope of consolidation

The consolidated financial statements include the companies over which EXOR exercises control, and from which, directly or indirectly, EXOR is able to derive benefit by virtue of its power to govern their corporate financial and operating policies. The companies/groups included in the scope of consolidation at 30 June 2020 are the following:

Company/Group	Country	Ownership	
		Group	Non-controlling interest
Operating subsidiaries / Segment entities			
FCA	The Netherlands	28.55%	71.45%
CNH Industrial	The Netherlands	27.18%	72.82%
Ferrari	The Netherlands	24.05%	75.95%
PartnerRe	Bermuda	100%	-
GEDI Gruppo Editoriale	Italy	91.73%	8.27%
Juventus S.p.A.	Italy	63.77%	36.23%
Exor Seeds LP	USA	73.20%	26.80%
Other EXOR entities			
Exor Nederland N.V.	The Netherlands	100%	-
Exor S.A.	Luxembourg	100%	-
Giano Holding S.p.A.	Italy	100%	-
Exor Investments Limited Ltd	United Kingdom	100%	-
Exor Investments (UK) LLP	United Kingdom	99.67%	0.33%
Exor SN LLC	USA	100%	-
Ancom USA Inc.	USA	100%	-

Change in the scope of consolidation

Acquisition of GEDI

The acquisition of the control of GEDI Gruppo Editoriale S.p.A. ("GEDI") was completed on 30 April 2020 (the "Closing" or the "Acquisition Date"). Following receipt of the approval from the competent authorities, EXOR, through its fully owned subsidiary Giano Holding S.p.A ("Giano"), finalized the acquisition of the stake in GEDI owned by CIR (43.78% of the issued share capital) for a consideration of €102.4 million (222,705,235 shares at the price of €0.46 per share). Immediately after this first transaction, Giano also acquired from Mercurio S.p.A., Sia Blu S.p.A. and Giacaranda Caracciolo di Melito Falck the 11.13% of the share capital of GEDI (56,592,318 shares at the price of €0.46 per share) for a total consideration of €26 million.
After acquired control over GEDI, Giano launched a mandatory tender offer (the "Offer"), in accordance with Italian law, to acquire all of the ordinary shares of GEDI at the price of €0.46 per share. During the first phase of the Offer, successfully concluded on 30 June 2020, reaching the requirement for the delisting of GEDI in accordance with Italian law, Giano acquired on the market 43,877,727 shares at the price of €0.46 per share and 126,330,295 GEDI's shares through the Offer, including the 30,481,490 shares held by EXOR prior to the Acquisition date.
At 30 June 2020 Giano held 449,505,575 GEDI's shares (91.73% of outstanding shares) for a total consideration of €206.8 million.
The transaction that led to the acquisition of control starting from 30 April 2020 was accounted for in accordance with IFRS 3, considering the Offer as linked to the to the acquisition of the 43.78% of GEDI's shares, by applying the acquisition method on the basis of the interim financial statements prepared in accordance with IFRS at that date. The interest previously held by EXOR in GEDI (5.99% of the issued share capital) was measured at fair value at the Acquisition Date and the cumulative positive fair value of €2 million has been recognized in the fair value reserve within equity in the first half of 2020.

EXOR is currently involved in the process of measuring the fair values to be assigned to GEDI's assets and liabilities at the acquisition date. The difference of €54.5 million shown in the below table represents the excess of the book value of GEDI's equity as of the acquisition date over the consideration paid. Considering that the initial accounting is still provisional and that such difference may therefore be subject to future adjustments, it will be recognized as a deferred credit within line item provisional bargain purchase gain until the accounting for the acquisition is completed and EXOR has reassessed whether it has correctly identified and measured all of the assets acquired and liabilities assumed.

The initial provisional accounting of the first consolidation of GEDI is the following:

Shares purchased	
GEDI common shares held by EXOR immediately prior the Acquisition Date	30,481,490
GEDI common shares held by other parties	279,297,553
GEDI common shares mandatory tender offer	139,726,532
Total common shares equivalents outstanding of GEDI (number)	**449,505,575**
Purchase price of common shares held by EXOR immediately prior the Acquisition Date	14.2
Purchase price of common shares	128.5
Purchase price of common shares of mandatory tender offer	64.1
Total purchase price (€ million)	**206.8**
Book value of equity (€ million)	**261.3**
Difference between Total purchase price and Book value equity (€ million)	**54.5**

The fair value of non-controlling interests as of the Acquisition Date was determined based on the closing market price of GEDI's ordinary shares as of the same date.

GEDI's significant accounting policies are the following:

Publications, trademarks and frequencies

The useful life of newspaper publications and trademarks allocated to their respective CGU, is considered as indefinite. Radio frequencies are also considered as assets having an indefinite useful life as they are used based on concessions for broadcasting whose duration is unlimited.
Such assets are not amortized and are instead subjected annually, and any time there is an indication that the asset may have experienced a loss in value, to an impairment test. Any impairment loss is recognized in the income statement.

Revenues

For the recognition of revenue referring to the circulation business, the publisher recognizes the revenue based on the cover price gross of all the fees paid to the distribution chain, including the portion paid to newsagents. The publisher is considered the Principal in the satisfaction of the performance obligations because the risk of not selling and the price are under its control, including the portion payable to newsagents. Consequently, the fee is also recorded as a distribution cost, and recognized as a reduction in revenue. Unit revenue with the aforementioned characteristics is therefore recognized as the result of copies sold, calculated at the cover price.
With regard to revenue from advertising sales, the Concessionaire has the role of Agent, and does not control the performance obligation. Consequently, the relative costs and revenue are recognized on a net basis.

The consolidated financial statements of the EXOR Group include the result of GEDI for the period 30 April to 30 June 2020. As from the Acquisition Date GEDI contributed €82 million to consolidated revenues and €11 million to losses attributable to owners of the parent, while the assets and liabilities contribution at 30 June 2020 is as follow:

(€ million)	**30 June 2020**
Intangible assets	334
Property, plant and equipment and right of use	118
Investments accounted for using the equity method	11
Other investments and financial assets	9
Deferred tax assets	29
Inventories	15
Trade receivables	118
Tax receivables	4
Other current and no-current assets	23
Cash and cash equivalents	26
Total assets	**687**
Net equity	274
Provision for employee benefits and other reserves	87
Financial payables	88
Lease liabilities	50
Trade payables	64
Tax payables	1
Deferred tax liabilities	63
Other liabilities	60
Total equity and liabilities	**687**

4. Seasonality of the business

The activities of the PartnerRe Group and Juventus Football Club are affected by the highly seasonal nature of their businesses. In particular:

- The results of PartnerRe are exposed to low frequency and high severity risk events. Some of these risk events are seasonal, such that results for certain periods may include unusually low loss experience, while results for other periods may include modest or significant catastrophe losses. In addition, PartnerRe's investment results are exposed to changes in interest rates and credit spreads, which result from fluctuations in general economic and financial market conditions. As a result, PartnerRe's profitability in any one period or year is not necessarily predictive or indicative of future profitability or performance.

– The financial year of Juventus Football Club does not coincide with the calendar year but covers the period 1 July – 30 June, which corresponds to the football season. Economic performance is characterized by the highly seasonal nature typical of the sector, determined mainly by the calendar of football events (to which the main revenue items are related and recognized in the income statement) and by the phases of the players' Transfer Campaign, carried out during the first phase (usually in July and August but in September and October in this year due to Covid-19) and the second phase in January, which can result in significant economic and financial effects at the beginning and during the course of the season. The main cost items not referable to individual football events (such as players' wages and amortization relative to registration rights) are instead recorded in the income statement on a straight-line basis.

5. Segment reporting

Reportable segments reflect the operating segments of the Group that are regularly reviewed by the Chief Executive Officer, who is the "chief operating decision maker", as defined under IFRS 8 – Operating Segments, for making strategic decisions and allocating resources and assessing performance, and that exceed the quantitative threshold provided in IFRS 8, or whose information is considered useful for the users of the financial statements.
The EXOR Group reportable segments coincide with the consolidated data of its principal investments, each of which represents an investment in a major business segment: FCA, CNH Industrial, PartnerRe, Ferrari, Juventus and GEDI. The column "Minor, eliminations and adjustments" includes unallocated income and expenses, share of profit in equity investments of EXOR N.V., expenses related to corporate activities and finance income and expense of EXOR N.V. and other EXOR entities which are not included within the reportable segments.
The following table summarize selected financial information by reporting segment for the six months ended 30 June 2020 and 2019. Data presented are prepared by each subsidiary for the EXOR consolidation process and may differ from data published by each subsidiary in its financial report.

(€ million)	**FCA**	**CNH Industrial**	**PartnerRe**	**Ferrari**	**Juventus**	**GEDI**	**Minor, eliminations and adjustments**	**Consolidated**
I HALF 2020								
Segment revenues	32,274	9,993	2,979	1,503	248	82	(288)	46,791
Revenues from transactions with other operating segments	(128)	(115)	-	(25)	-		268	0
Revenues from external customers[1]	32,146	9,878	2,979	1,478	248	82	(20)	**46,791**
(Loss) profit for the period	(2,742)	(1,174)	(185)	175	(19)	(12)	(30)	**(3,987)**
Of which discontinued operations	*-*	*-*	*-*	*-*	*-*	*0*	*-*	***0***
Profit (loss) attributable to owners of the parent[2]	(781)	(324)	(185)	42	(12)	(11)	(47)	**(1,318)**
30 June 2020								
Total assets	94,057	41,784	23,171	5,859	1,180	687	1,565	**168,303**
Gross debt[3]	21,162	22,380	1,419	2,763	396	138	4,5120	**52,770**
Cash and cash equivalents	13,914	5,240	1,242	1,112	6	26	1,054	**22,594**
Total equity	24,900	6,746	6,845	1,347	260	274	(2,368)	**38,004**
Issued capital and reserves attributable to owners of the parent[2]	7,066	1,780	6,177	345	166	251	(2,382)	**13,403**
I HALF 2019								
Segment revenues	51,222	12,401	3,531	1,924	291		(449)	68,920
Revenues from transactions with other operating segments	(194)	(171)	-	(75)	(11)		451	0
Revenues from external customers[1]	51,028	12,230	3,531	1,849	280		2	68,920
Profit (loss) for the period	5,271	579	690	364	(47)		36	6,893
Of which discontinued operations	*3,970*	*-*	*-*	*-*	*-*		*-*	*3,970*
Profit (loss) attributable to owners of the parent[2]	1,509	153	690	86	(30)		19	2,427
31 December 2019								
Total assets	98,677	43,780	22,980	5,446	1,129		599	172,611
Gross debt[3]	13,219	22,729	1,476	2,105	464		3,506	43,499
Cash and cash equivalents	15,014	5,140	1,321	898	137		425	22,935
Total equity	28,675	6,999	7,142	1,487	276		(2,020)	42,559
Issued capital and reserves attributable to owners of the parent[2]	8,173	1,852	6,477	378	176		(2,031)	15,025

1) PartnerRe: net premium for €2,862 million (€2,738 million in the first half of 2019) and the portfolio result and other revenues for €117 million (€793 million in the first half of 2019).
2) EXOR share of the result or equity attributable to the owners of the parent of each segment entity.
3) Gross debt is defined as financial debt and other financial liabilities.

6. Net revenues

Net revenues for the half-year ended 30 June 2020 and 2019 are as follows:

	Six months ended 30 June	
(€ million)	**2020**	**2019**
Revenues from sales of goods and services	43,111	64,675
Net premium earned of insurance and reinsurance companies	2,862	2,738
Interest income of financial services activities	491	497
Net investment income and net realized and unrealized investment gains of insurance and reinsurance companies	117	793
Other	210	217
Total net revenues	**46,791**	**68,920**

7. Other income (expenses), net

Other net expenses for the half-year ended 30 June 2020 amount to €569 million compared to a net expenses of €79 million for the half-year ended 30 June 2019. In the first-half 2020 the item mainly includes €523 million of impairment loss on goodwill accounted for by CNH Industrial and €55 million of restructuring costs, net of other income for €9 million related to other income and expenses which cannot be allocated to specific functional areas, such as accruals for various provisions not attributable to other items of Cost of revenues or Selling, general and administrative costs, net of income arising from operations which is not attributable to the sale of goods and services.

In the first half 2019 the item included €229 million of restructuring costs, net of other income for €150 million related to other income and expenses which cannot be allocated to specific functional areas, such as accruals for various provisions not attributable to other items of Cost of revenues or Selling, general and administrative costs, net of income arising from operations which is not attributable to the sale of goods and services.

8. Net financial expenses

Net financial expenses for the half-year ended 30 June 2020 and 2019 are as follows:

	Six months ended 30 June	
(€ million)	**2020**	**2019**
Financial Income:		
Interest and other financial income	3	2
Financial services income	491	497
Net investment income and net realized and unrealized investments gains of reinsurance companies	117	793
Gains on disposal of securities	-	13
Total financial income	**611**	**1,305**
Related to:		
Industrial companies (A)	*3*	*15*
Financial services companies (reported within net revenues)	*491*	*497*
Reinsurance companies (reported within net revenues)	*117*	*793*
Financial Expenses:		
Interest expenses and other financial expenses	(696)	(692)
Write-downs and losses on financial assets and securities	(28)	(10)
Net interest expenses on employee benefits provisions	(120)	(158)
Total interest and other financial expenses	**(844)**	**(860)**
Net expenses from derivative financial instruments and exchange rate differences	**(64)**	**(127)**
Total financial expenses	**(908)**	**(987)**
Related to:		
Industrial companies (B)	*(608)*	*(694)*
Financial services companies (reported within cost of revenues)	*(300)*	*(293)*
Net financial expenses relating to industrial companies (A+B)	**(605)**	**(679)**

9. Tax expense

(€ million)	Six months ended 30 June 2020	2019
Current tax expense	57	625
Deferred tax expense	385	261
Tax expense (benefit) relating to prior periods	169	1
Total tax expense	**611**	**887**

The effective tax rate was negative (18.1%) for the six months ended 30 June 2020. The change in the effective tax rate during the six months ended 30 June 2020, compared to the corresponding period in 2019, primarily related to write-down of deferred tax assets, a decrease in profit before tax, an increase in unrecognized deferred tax assets and adjustments to deferred tax liabilities.
During the six months ended 30 June 2020, FCA reviewed its business and operations to take into consideration the estimated impacts and effects of the Covid-19 pandemic, including the estimated impact on the macroeconomic environment, the market outlook and its operations. As such, FCA assessed its ability to generate sufficient taxable income in the future that will allow realization of net deferred tax assets in Italy and Brazil, primarily in relation to tax loss carry-forwards in each respective country. As a result of this assessment, a write-down of €549 million of deferred tax assets was recorded for the six months ended 30 June 2020. Of this write-down, €446 million primarily related to Italian tax loss carry-forwards and €103 million related to Brazilian tax loss carry-forwards.

CNH Industrial evaluated the realizability of its various deferred tax assets, which relate to multiple tax jurisdictions in all regions of the world. Despite incurring a significant loss before taxes in the six months ended 30 June 2020 no changes in assessment occurred with respect to CNH Industrial's recognition of deferred tax assets. This is largely attributable to the fact that a substantial portion of the pre-tax losses related to non-recurring events and, as such, are only expected to impact taxable income in the near-term, while substantially all of CNH Industrial's deferred tax assets have no expiry date. Further, CNH Industrial has a history of producing pre-tax losses in the bottom-end of economic cycles followed by generating pre-tax profits during ensuing periods of economic expansion such that there is little history of tax attributes expiring unutilized. While no assessment changes occurred during the six months ended 30 June 2020, given the economic impact of the Covid-19 pandemic, it is possible such changes could occur within the next twelve months, with those changes potentially having a material impact on CNH Industrial's results of operations.
During the six months ended 30 June 2020 countries around the world enacted substantial amounts of tax legislation in response to the Covid-19 pandemic. While the legislation generally did not impact CNH Industrial's results of operations, it, in accordance with the legislation, delayed income tax payments in multiple jurisdictions, which improved its operating cash flow and overall cash position.

10. Earnings per share

The following table summarizes the composition of earnings per share:

		Six months ended 30 June 2019	2019
Average number of ordinary shares outstanding		**231,599,785**	**232,331,574**
(Loss) Profit attributable to owners of the parent	**€ million**	**(1,318)**	**2,427**
basic earnings per share	€	(5.69)	10.45
diluted earnings per share	€	(5.69)	10.40
(Loss) Profit from continuing operations attributable to owners of the parent	**€ million**	**(1,318)**	**1,289**
basic earnings per share	€	(5.69)	5.55
diluted earnings per share	€	(5.69)	5.51
Profit from discontinued operations attributable to owners of the parent	**€ million**	**-**	**1,138**
basic earnings per share	€	-	4.90
diluted earnings per share	€	-	4.86

In order to calculate the diluted earnings per share, the profit attributable to owners of the parent was adjusted to take into account the dilutive effects arising from the theoretical exercise of the stock option plans granted by the subsidiaries of the Group using their own equity instruments.

11. Intangible assets

(€ million)	At 30 June 2020	At 31 December 2019
Goodwill:		
FCA Group	11,097	11,065
CNH Industrial Group	1,747	2,263
Ferrari Group	786	786
PartnerRe Group	590	588
Other	33	33
Total Goodwill	**14,253**	**14,735**
Other intangible assets	20,804	20,332
Total Intangible assets	**35,057**	**35,067**

As of 31 March 2020, FCA Group reviewed its business and operations to take into consideration the estimated impacts and effects of the Covid-19 pandemic, including the estimated impact on the macroeconomic environment, the market outlook and its operations. Specifically, FCA reviewed its cash generating units ("CGUs") and goodwill and intangible assets with indefinite useful lives for indicators of impairment. Certain CGUs, primarily those that were expected to be more sensitive to the current market outlook, in North America, EMEA, LATAM and Maserati segments, as well as goodwill allocated to EMEA and LATAM segments, were found to have indicators of impairment and were therefore subject to impairment testing at 31 March 2020.

Regarding goodwill, the amounts allocated to EMEA (€275 million) and LATAM (€577 million), as no intangible assets with indefinite useful lives, other than goodwill, are recognized within the EMEA and LATAM segments, are tested using a discounted cash flow methodology based primarily on the expected future cash flows covering the period from 2020 through 2024 that reflect the current expectations regarding economic conditions and market trends as well as the segment specific initiatives for the period 2020 to 2024. The expected future cash flows include a normalized terminal period to estimate the future results beyond the time period explicitly considered which incorporates a long-term growth rate assumptions of 2%. Pre-tax cash flows have been discounted using a Weighted Average Cost of Capital (WACC) between 9.5% and 16%. Expected future cash flows are sensitive to changes in the WACC, such that an increase of 25 basis points and 40 basis points in the WACC for the EMEA and LATAM segments respectively, would reduce the recoverable value down to its carrying amount.
The recoverable amounts were determined to be in excess of the carrying amount of such goodwill. As such, no impairment charges were recognized for goodwill for the three months ended 31 March 2020.

Regarding other tangible and intangible assets, primarily as a result of reduced volume expectations, FCA recognized impairment charges of €450 million on CGUs within the EMEA (€178 million), LATAM (€161 million) and Maserati (€111 million) segments, of which €247 million related to Property, plant and equipment and recognized in Cost of revenues and €203 million related to previously capitalized development costs recognized in Research and development costs.

In addition to the impairments discussed above, during the three months ended 31 March 2020, certain assets within the Maserati segment were impaired in connection with decisions that were made regarding the planned utilization of certain assembly assets to more efficiently utilize the Group's manufacturing capacity as part of the implementation of the previously announced Maserati product renewal activities. As a result of these decisions, impairment charges were recognized totaling €177 million, composed of €85 million of Property, plant and equipment recognized within Cost of revenues and €92 million of previously capitalized development expenditures recognized within Research and development costs.

The assumptions used in the impairment test for the EMEA, LATAM and Maserati segments at 31 March 2020 represent FCA management's best estimate for the six months ended 30 June 2020 period, since no new indicators of impairment were noted.

During the first-half of 2020, CNH Industrial considered whether a quantitative interim assessment of goodwill for impairment was required as a result of the significant economic disruption caused by the Covid-19 pandemic. Based on the internal and external sources of information considered, including the current and expected future economic and market conditions surrounding the Covid-19 pandemic and its impact on each of the cash-generating units, industry and market considerations, overall financial performance (both current and projected) as well as the amount by which the recoverable amount of CNH Industrial's cash-generating units exceeded their respective carrying values at the date of the last quantitative assessment, CNH Industrial determined that these conditions indicated that the carrying value of the Construction cash-generating unit exceeded its recoverable amount.

At 30 June 2020, CNH Industrial completed a quantitative impairment assessment for the Construction cash-generating unit which resulted in a recoverable amount below carrying value. Based on the assessment, CNH Industrial recognized a goodwill impairment loss of €523 million for the Construction CGU, recorded in Other income (expenses).

Intangible assets with finite useful lives are amortized over their estimated useful lives and tested for impairment if events or changes in circumstances indicate that the asset may be impaired. During the first-half of 2020, CNH Industrial recorded an impairment loss of €15 million related to its Construction dealer network and €59 million related to certain software costs in its Agriculture segment. These impairments are included in the Cost of revenues on the consolidated income statement.

Moreover, during the first-half of 2020, CNH Industrial recorded an impairment loss of €65 million (included in Research and development costs) on development costs in Agriculture Intangible assets with finite useful lives are amortized over their estimated useful lives and tested for impairment if events or changes in circumstances indicate that the asset may be impaired.

12. Property, plant and equipment

(€ million)	At 30 June 2020	At 31 December 2019
Right-of-use assets	2,184	2,163
Other tangible assets	33,356	34,547
Total Property, plant and equipment	**35,540**	**36,710**

Refer to note 11 Intangible assets, for additional detail on impairments of €247 million recognized by FCA Group on the CGU in the EMEA, LATAM and Maserati segments, and for the additional impairment charges of €85 million recognized on the Maserati segment by FCA.

CNH Industrial, as a consequence of the significant decline in industry demand and other market conditions due to the economic disruption caused by the Covid-19 pandemic during the second quarter of 2020, reviewed its current manufacturing footprint, and, consequently, reassessed the recoverability of certain assets. As a result, Agriculture and Construction recognized an impairment losses of €101 million and €40 million, respectively, against Property, plant and equipment. Furthermore, during the first-half of 2020, Commercial and Specialty Vehicles recognized impairment losses of €121 million in connection with new actions identified in order to realize the asset portfolio of vehicles sold under buy-back commitments, as a result of the significant deterioration of the used vehicle markets in which the segment operates and the consequent impact on truck residual values. Commercial and Specialty Vehicles also recognized impairment losses of €6 million against Property, plant and equipment. The impairment losses are recognized in Cost of revenues.

13. Investments and other financial assets

(€ million)	At 30 June 2020	At 31 December 2019
Equity method investments	**3,478**	**3,596**
Other investments and other financial assets:		
Investments at FVTOCI	1,814	198
Investments at FVTPL	190	171
Non-current financial receivables	188	278
Other investments	27	15
Other securities	548	928
Other financial assets	783	214
Total other investments and other financial assets	**3,550**	**1,804**
Investments and other financial assets	**7,028**	**5,400**

Investments at FVTOCI include the fair value of the investment of approximately 7% held by CNH Industrial in Nikola Corporation, made in the context of the strategic partnership with Nikola to industrialize fuel-cell and battery electric Heavy-Duty trucks, in which CNH Industrial in the first half 2020 increased its investment from $108 million to $250 million. During the first half of 2020, Nikola Corporation completed a business combination with VectoIQ Acquisition Corp., a publicly-traded special purpose acquisition company which changed its name to “Nikola Corporation”. The combined company’s shares continued listing on NASDAQ under the new ticker symbol “NKLA”.

The market price of Nikola Corporation shares as of 30 June 2020 was $67.53, determining a value of €1,547 million ($1,733 million) for the 25,661,448 shares held by CNH Industrial.
During the first half of 2020, CNH Industrial recorded in Other comprehensive income a pre-tax gain of €1,324 million ($1,483 million) from the re-measurement at fair value of the investment in Nikola Corporation.

14. Inventories

(€ million)	**At 30 June 2020**	**At 31 December 2019**
Raw materials, supplies and finished goods	15,858	15,997
Assets sold with a buy-back commitment	1,534	1,877
Gross amount due from customers for contract work	163	183
Total inventories	**17,555**	**18,057**

In the first half of 2020, CNH Industrial recognized an impairment loss of €109 million in inventories in connection with new actions identified in order to realize the asset portfolio of vehicles sold under buy-back commitments as a result of the significant deterioration of the used vehicle markets and the consequent impact on truck residual values.

15. Trade and other receivables

(€ million)	**At 30 June 2020**	**At 31 December 2019**
Trade receivables	2,553	2,582
Receivables from financing activities	18,752	21,418
Receivables from reinsurance activities	3,991	3,889
Total trade and other receivables	**25,296**	**27,889**

Receivables from financing activities

(€ million)	**At 30 June 2020**	**At 31 December 2019**
Dealer financing	9,076	11,298
Retail financing	8,715	9,321
Finance leases	439	458
Other	522	341
Total receivables from financing activities	**18,752**	**21,418**

Receivables from financing activities mainly refer to CNH Industrial that accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, CNH Industrial considers historical loss rates for each category of customers and adjusts for forward looking macroeconomic data. At 30 June 2020, the allowance for credit losses includes a reserve build primarily due to a weaker economic outlook related to the Covid-19 pandemic. As this situation has rapidly evolved and is fluid, there is significant subjectivity in the assessment. CNH Industrial continues to monitor the situation and will update the macroeconomic factors and qualitative factors in future periods, as warranted.

16. Investments of reinsurance companies

(€ million)	**At 30 June 2020**	**At 31 December 2019**
Fixed maturities, at fair value	9,512	9,508
Funds held by reinsured companies	662	726
Equities, at fair value	1,056	1,153
Short-term investments, at fair value	2,107	893
Accrued investment income, at fair value	96	98
Other invested assets	1,464	2,282
Total investments of reinsurance companies	**14,897**	**14,664**

At 30 June 2020, approximately €258 million (€262 million at 31 December 2019) respectively of cash and cash equivalents and €3,799 million (€3,583 million at 31 December 2019) of securities were deposited, pledged or held in escrow accounts in favor of ceding companies and other counterparties or government authorities to comply with reinsurance contract provisions and insurance laws.

17. Transfer of financial assets

The transfer of financial assets mainly refers to the FCA Group and the CNH Industrial Group.
At 30 June 2020 FCA had receivables due after that date which had been transferred without recourse and which were derecognized in accordance with IFRS 9 – Financial Instruments, amounting to €5,427 million (€7,301 million at 31 December 2019).
The transfers related to trade receivables and other receivables of €3,756 million (€5,777 million at 31 December 2019) and financial receivables of €1,671 million (€1,524 million at 31 December 2019). These amounts included receivables of €3,420 million (€4,686 million at 31 December 2019), mainly due from the sales network, transferred to FCA Bank, a jointly-controlled financial services company.

At 30 June 2020 CNH Industrial had restricted assets included in Receivables from financing activities related to factoring transactions for €10,918 million (€10,821 million at 31 December 2019), of which €5,190 million (€5,144 million at 31 December 2019) relate to retail financing and finance lease receivables.
CNH Industrial discounted receivables and bills without recourse having due dates beyond 30 June 2020 amounting to €238 million (€321 million at 31 December 2019), of which €229 million (€297 million at 31 December 2019) relates to trade receivables and other receivables and €10 million (€24 million at 31 December 2019) to receivables from financing activities.

18. Cash and cash equivalents

	At 30 June 2020	At 31 December 2019
Cash at banks	14,393	11,530
Money market securities	7,410	10,461
Restricted cash	791	944
Total cash and cash equivalents	**22,594**	**22,935**

Certain of the Group entities perform securitization transactions to support the funding portfolio of the financial services activities. In connection with such securitization, cash collected from the settlement of receivables or lines of credit pledged as collateral is subject to certain restrictions regarding its use and is principally applied to repay principal and interest of the funding.
At 30 June 2020, approximately €258 million (€262 million at 31 December 2019) respectively of cash and cash equivalents and €3,799 million (€3,583 million at 31 December 2019) of securities held by PartnerRe were deposited, pledged or held in escrow accounts in favor of ceding companies and other counterparties or government authorities to comply with reinsurance contract provisions and insurance laws.

19. Equity

Share capital
At 30 June 2020 the total issued capital of EXOR N.V. was equal to €2.4 million, divided into 241,000,000 shares with a nominal value of Euro 0.01.

EXOR N.V. adopted a loyalty voting structure designed to incentivize long-term share ownership, on the basis of which for each EXOR N.V. ordinary share held without interruption for a period of five years, shareholders will be entitled to five voting rights at the end of that period, and for each EXOR N.V. ordinary share held without interruption for a period of ten years, shareholders will be entitled to ten voting rights at the end of that period. No special voting shares had been issued and none are outstanding at 30 June 2020.

AGM resolution
The EXOR Annual General Meeting of 20 May 2020 adopted the 2019 Annual Report and approved the payment of a dividend of €0.43 on each issued and outstanding ordinary share, for a total of approximately €100 million. The Annual General Meeting also approved the extension of the authorization for the purchase and disposal of EXOR's ordinary shares on the market for 18 months from the date of the Shareholders' resolution, up to a maximum number of shares not to exceed the limit set by law, with a maximum disbursement of €500 million.

Treasury stock

At 30 June 2020, 9,388,215 shares with a nominal value of €0.01 per share are held as treasury stock (9,412,215 at 31 December 2019).

The movements in treasury stock are mainly related to the exercise of 24,000 stock options under the 2012 stock options plan.

Other comprehensive income (loss)

Other comprehensive income for the six months ended 30 June 2020 and 2019 is as follows:

	At 30 June	
(€ million)	**2020**	**2019**
Items that will not be reclassified to the Consolidated Income Statement in subsequent periods:		
Gains (losses) on re-measurement of defined benefit plans	(2)	-
Share of gains (losses) on re-measurement of defined benefit plans for equity method investees	-	-
Gains (losses) on financial assets at FVTOCI[1]	1,326	(1)
Items relating to discontinued operations	-	(9)
Total items that will not be reclassified to the Consolidated Income Statement in subsequent periods, before tax effect (B1)	**1,324**	**(10)**
Items that may be reclassified to the Consolidated Income Statements in subsequent periods:		
Gains (losses) on cash flow hedging instruments arising during the year	(209)	(239)
Gains (losses) on cash flow hedging instruments reclassified to the income Statement	(23)	42
Gains (losses) on cash flow hedging instruments	**(232)**	**(197)**
Foreign exchange gains (losses) arising during the year	(1,334)	361
Foreign exchange gains (losses) reclassified to the income Statement	-	-
Foreign exchange gains (losses)	**(1,334)**	**361**
Share of other comprehensive income of equity method investees arising during the year	(76)	(26)
Share of other comprehensive income (loss) of equity method investees reclassified to the income statement	-	1
Share of other comprehensive income (loss) of equity method investees	**(76)**	**(25)**
Items relating to discontinued operations	**-**	**9**
Total Items that may be reclassified to the Consolidated Income Statement in subsequent periods, before tax effect (B2)	**(1,642)**	**148**
Total Other Comprehensive Income, before tax effect (B1)+(B2)=(B)	**(318)**	**138**
Tax effect	78	54
Tax effect - discontinued operations	-	1
Total Other Comprehensive Income (Loss), net of tax	**(240)**	**193**

(1) In the six months ended 30 June 2020, Gains (losses) on financial assets at FVTOCI include the re-measurement at fair value of the investment in Nikola Corporation. Refer to Note 13 for additional information on this investment.

The tax effect relating to other comprehensive income for the six months ended 30 June 2020 and 2019 is as follows:

	At 30 June					
(€ million)	**2020**			**2019**		
	Pre-tax balance	**Tax benefit (expense)**	**Net-of-tax balance**	**Pre-tax balance**	**Tax benefit (expense)**	**Net-of-tax balance**
Gains (losses) on re-measurement of defined benefit plans	(2)	(6)	(8)	-	-	-
Gains (losses) on financial assets at FVTOCI	1,326	-	1,326	(1)	-	(1)
Gains (losses) on cash flow hedging instruments	(232)	84	(148)	(197)	53	(144)
Foreign exchange gains (losses)	(1,334)	-	(1,334)	361	-	361
Share of other comprehensive income (loss) of equity method investees	(76)	-	(76)	(25)	1	(24)
Items relating to discontinued operations	-	-	-	-	1	1
Total Other Comprehensive Income (Loss)	**(318)**	**78**	**(240)**	**138**	**55**	**193**

20. Share-based compensation

EXOR
For the six months ended 30 June 2020, EXOR recognized €2.7 million as share-based compensation costs.

FCA
2020-2022 Long Term Incentive Plan
In December 2019, the FCA's Board of Directors approved the 2020-2022 Long-Term Incentive Plan ("2020-2022 LTIP"), under the framework equity incentive plan. During May 2020, FCA awarded a total of 7.0 million Performance Share Units ("PSU") and 4.5 million Restricted Share Units ("RSU") to eligible employees under the 2020-2022 LTIP.

The PSU awards, which represent the right to receive FCA common shares, have an Adjusted EBIT target as well as a total shareholder return ("TSR") target, with each weighted at 50 percent and settled independently of the other. Half of the awards will vest based on achievement of the targets for Adjusted EBIT, covering a three year period from 2020 to 2022 and will have a payout ranging from 0 percent to 100 percent. The fair values of these PSU Adjusted EBIT awards were measured using the FCA stock price on the grant date, adjusted for expected dividends at a constant yield as PSU awards do not have the right to receive ordinary dividends prior to vesting. The remaining half of the PSU awards will vest based on market conditions over a three-year performance period from January 2020 through December 2022, with a payout scale ranging from 0 percent to 225 percent. Accordingly, the total number of shares that will eventually be issued may vary from the original award of 7.0 million units. The fair value of these PSU TSR awards were calculated using a Monte Carlo simulation model, adjusted for expected dividends at a constant yield as PSU awards do not have the right to receive ordinary dividends prior to vesting. If the performance goals for the respective periods are met, the PSU awards will vest in the second quarter of 2023.

The RSU awards, which represent the right to receive FCA common shares, will vest in the second quarter of 2023. The fair values of these RSU awards were measured using the FCA stock price on the grant date, adjusted for expected dividends at a constant yield as RSU awards do not have the right to receive ordinary dividends prior to vesting.

Other Restricted Share Unit Grants
During the six months ended 30 June 2020, FCA awarded 0.4 million RSUs to certain of its key employees, which represent the right to receive FCA common shares. A portion of these awards is expected to vest in the third quarter of 2020, with the remaining portion expected to vest in 2021 and 2022 in accordance with the award agreements. The fair values of the awards were measured using the FCA stock price on the grant date, adjusted for expected dividends at a constant yield as RSU awards do not have the right to receive ordinary dividends prior to vesting.

Share-based compensation expense
Including previously granted awards, total expense of approximately €15 million and €32 million was recorded for the PSU and RSU awards for the six months ended 30 June 2020, respectively (€19 million and €38 million was recorded for the six months ended 30 June 2019, respectively).
The total number of PSU and RSU awards outstanding at 30 June 2020 was 14.5 million and 10.2 million respectively.

Ferrari
Equity incentive Plan 2016-2020
During the first half of 2020, 213,020 Performance Share Units ("PSUs") vested based on the achievement of the defined performance conditions for the period from 2016 to 2019 and 31,510 retention Restricted Share Units ("RSUs") vested based on the achievement of the related service conditions. As a result, 329,735 common shares, which were previously held in treasury, were assigned to participants of the plan. The number of shares assigned was greater than the number of awards that vested as a result of the Ferrari Group's level of achievement against the defined performance conditions.

Equity incentive Plan 2019-2021

During the first half of 2020, 17,572 PSUs vested based on the achievement of the defined performance conditions for 2019 and 18,892 RSUs vested based on the achievement of the related service conditions. As a result, 36,464 common shares, which were previously held in treasury, were assigned to participants of the plan.

Equity Incentive Plan 2020-2022

Under a new equity incentive plan approved in 2020 ("Equity Incentive Plan 2020-2022"), 60,089 PSUs and 47,513 RSUs, which each represent the right to receive one Ferrari common share, were awarded to the Executive Chairman, members of the Senior Management Team ("SMT") and other key members of the Group. The PSUs and RSUs cover a three-year performance period from 2020 to 2022.

Equity Incentive Plan 2020-2022 - Performance Share Units (PSUs)

The vesting of the PSUs is based on the achievement of defined key performance indicators relating to: i) a total shareholder return ("TSR") ranking, ii) an EBITDA target, and iii) innovation targets, which will each be settled independently of the others targets. The total number of shares that will be assigned upon vesting of the PSUs will depend on the level of achievement of the targets. The PSUs vest in 2023.
The performance period for the PSUs commenced on 1 January 2020. The fair value of the awards used for accounting purposes was measured at the grant date using a Monte Carlo Simulation model. The fair value of the PSUs that were awarded is €136.06 per share. The key assumptions utilized to calculate the grant-date fair values for these awards are summarized below:

Key assumptions			
Grant date share price	Expected volatility	Dividend yield	Risk –free rate
€142.95	26.6%	0.8	0%

The expected volatility was based on the observed volatility of the Peer Group. The risk-free rate was based on the iBoxx sovereigns Eurozone yield.
At 30 June 2020 none of the PSU awards were forfeited or vested.

Equity Incentive Plan 2020-2022 - Retention Restricted Share Units (RSUs)

The vesting of the RSUs is conditional on the recipient's continued employment with Ferrari at the time of vesting. The RSUs vest in 2023. The fair value of the RSUs awarded is €139.39 per share.
At 30 June 2020 none of the RSU awards were forfeited or vested.

Outstanding share awards

For the six months ended 30 June 2020, changes in the outstanding number of PSU and RSU share awards under the Ferrari equity incentive plans are as follows:

	Outstanding PSU Awards	**Outstanding RSU Awards**
Balance at 31 December 2019	**598,719**	**171,145**
Granted(1)	60,089	47,513
Vested(2)	(230,592)	(50,402)
Balance at 30 June 2020	**428,216**	**168,256**

(1) Granted under the Equity Incentive Plan 2020-2022.
(2) Vested under the Equity Incentive Plan 2016-2020 and the Equity Incentive Plan 2019-2021.

For the six months ended 30 June 2020 Ferrari recognized €8.2 million as share-based compensation expense and an increase to other reserves in equity in relation to the PSU awards and the RSU awards of the Ferrari Group's equity incentive plans. At 30 June 2020, unrecognized compensation expense amounted to €26 million and will be recognized over the remaining vesting period through 2022.

CNH Industrial

CNH Industrial recognized total share-based compensation expense of €8 million for the six months ended 30 June 2020 (€19 million in the six months ended 30 June 2019).

21. Other provisions

(€ million)	At 30 June 2020	At 31 December 2019
Warranty and recall campaigns	6,746	7,232
Restructuring provisions	217	202
Other risks	7,977	9,493
Total other provisions	**14,940**	**16,927**

During the six months ended 30 June 2020, a total provision for €41 million was recognized for restructuring costs, mainly in North America and LATAM, related to the recognition of provisions for workforce restructuring.
During the six months ended 30 June 2020, approximately €0.1 billion of payments were made for civil, environmental and consumer claims related to U.S. diesel emissions matters accrued in 2019 (refer to note 25, Guarantees granted, commitments and contingent liabilities).

22. Technical reserves reinsurance companies

(€ million)	At 30 June 2020	At 31 December 2019
Unpaid losses and Loss expenses	9,608	9,228
Life and health technical reinsurance reserves	2,149	2,152
Unearned premium reserves	2,327	2,168
Total Technical reinsurance reserves	**14,084**	**13,548**

Unpaid Losses and Loss Expenses

Unpaid losses and loss expenses are categorized into three types of reserves: Case reserve, ACRs and IBNR reserves. Case reserves represent unpaid losses reported by the Company's cedants and recorded by the Company. ACRs are established for particular circumstances where, on the basis of the individual loss report, the Company estimates that the particular loss or collection of losses covered by a treaty may be greater than those advised by the cedant. IBNR reserves represent a provision for claims that have been incurred but not yet reported to the Company, as well as future loss development on losses already reported, in excess of the case reserves and ACRs.
The reconciliation of the beginning and ending gross and net liability for unpaid losses and loss expenses for the six months ended at 30 June 2020 is as follows:

(€ million)	At 30 June 2020
Gross liability at 1 January	**9,228**
Reinsurance recoverable at 1 January	(672)
Net reserves at 1 January	**8,556**
Net incurred losses	1,858
Net paid losses	(1,417)
Translation differences and other changes	(63)
Net liability at the end of the period	**8,934**
Reinsurance recoverable at the end of the period	674
Gross liability at the end of the period	**9,608**

Life and health technical reinsurance reserves

The reconciliation of the beginning and ending gross and net liability for life and health technical reinsurance reserves for the six months ended at 30 June 2020 is as follows:

(€ million)	At 30 June 2020
Gross liability at 1 January	**2,152**
Reinsurance recoverable at 1 January	(14)
Net reserves at 1 January	**2,138**
Net incurred losses	622
Net paid losses	(563)
Translation differences	(65)
Net liability at the end of the period	**2,132**
Reinsurance recoverable at the end of the period	17
Gross liability at the end of the period	**2,149**

23. Financial debt and other financial liabilities

Total financial debt and other financial liabilities at 30 June 2020 and at 31 December 2019 are as follows:

(€ million)	At 30 June 2020	At 31 December 2019
Financial debt	51,932	43,031
Other financial liabilities	838	468
Total financial debt and other financial liabilities	**52,770**	**43,499**

The composition of financial debt is as follows:

(€ million)	At 30 June 2020	At 31 December 2019
Notes	19,062	19,031
Borrowings from banks	16,830	7,562
Asset-backed financing	10,719	11,405
Lease liabilities	2,234	2,180
Payables represented by securities	2,264	1,899
Other financial debt	823	954
Total financial debt	**51,932**	**43,031**

(€ million)	At 30 June 2020	At 31 December 2019
EXOR	4,424	3,393
FCA	20,468	12,920
CNH Industrial	22,335	22,689
Ferrari	2,757	2,090
PartnerRe	1,414	1,475
Juventus	396	464
GEDI	138	-
Total financial debt	**51,932**	**43,031**

Notes

The composition of notes at 30 June 2020 and at 31 December 2019 is as follows:

(€ million)	At 30 June 2020	At 31 December 2019
EXOR	4,083	3,391
FCA Group	5,036	6,391
CNH Industrial Group	6,991	6,940
Ferrari Group	1,524	886
PartnerRe	1,252	1,245
Juventus	176	178
Total Notes	**19,062**	**19,031**

The new notes issued and notes repaid during the first six months of 2020 were as follows:

New Issues	Currency	Nominal amount (in millions)	Coupon	Issue Date	Maturity
Company					
Ferrari 2025 Bond	€	650	1.5%	27 May 2020	27 May 2025
EXOR	€	500	2.25%	29 April 2020	29 April 2030
EXOR[(1)]	€	200	1.75%	23 June 2020	14 October 2034

(1) The original amount of €300 million issued in 2019 was increased by another €200 million with settlement date 23 June 2020.

Repayment	Name of Notes	Currency	Nominal amount (in millions)	Repayment date
Company				
FCA	MTNP	$	1,500	15 April 2020

Borrowings from banks

Borrowings from banks at 30 June 2020 amount to €16,830 million (€7,562 million at 31 December 2019). The composition is as follows:

(€ million)	At 30 June 2020	At 31 December 2019
EXOR	335	-
FCA Group	12,896	3,714
CNH Industrial Group	3,501	3,703
Ferrari Group	31	33
Juventus	24	112
GEDI	43	-
Total Borrowings from banks	**16,830**	**7,562**

EXOR

At 30 June 2020 EXOR has irrevocable credit lines in Euro of €435 million, expiring after 30 June 2021, as well as revocable credit lines of €547 million (drawn for €290 million).

FCA Group

On 18 March 2020, FCA announced that it had entered into an agreement for a €300 million five-year loan with the European Investment Bank ("EIB") to support specific investments to be implemented by FCA through 2021.
The investments are primarily to support the manufacturing deployment of the advanced vehicle powertrain electrification technologies and, in particular, the setup of production lines for the manufacturing of plug-in hybrid electric vehicles (PHEVs) at FCA's production plant in Melfi (Italy) and the manufacturing of battery electric vehicles (BEV) at the production plant in Mirafiori (Italy). The loan was fully drawn on 26 March 2020.

On 26 March 2020, FCA announced that it had entered into a new credit facility (the "Bridge Credit Facility"). The Bridge Credit Facility, initially entered into with two banks and then successfully syndicated to thirteen banks, including the two original underwriting banks, was available for general corporate purposes and for working capital needs of the Group and was structured as a bridge facility to capital markets.

On 14 April 2020, FCA announced completion of syndication. At 30 June 2020, the Bridge Credit Facility was fully undrawn. On 7 July 2020, the Bridge Credit Facility was cancelled.
During the six months ended 30 June 2020, FCA Group drew down on existing bilateral revolving lines of credit totaling €1.5 billion, of which €0.2 billion had been repaid at maturity by 30 June 2020.

On 26 March 2020, the tenor of the three-year Tranche A of FCA Group's €6.25 billion revolving credit facility, for Euro €3.125 billion, was extended by one year to 27 April 2023. On 21 April 2020, FCA Group announced that, in light of the continuing uncertainty relating to the impacts of Covid-19, it had drawn down its €6.25 billion revolving credit facility originally signed in June 2015 and last amended in March 2019
On 24 June 2020, FCA Italy S.p.A., a wholly-owned subsidiary of Fiat Chrysler Automobiles N.V., and other Italian companies in the FCA Group entered into a facility agreement with Intesa Sanpaolo for borrowings of up to €6.3 billion to finance FCA Group's activities in Italy. The facility is unsecured and guaranteed by FCA N.V. and will mature in March 2023, amortizing in five equal quarterly installments with the first such installment due on 31 March 2022. SACE (Italy's export credit agency) will guarantee 80 percent of the borrowings under that facility pursuant to the recently enacted Italian Liquidity Decree. The facility and borrowings under the facility are at interest rates within a range that could be obtained in the market.

The covenants of the credit facility include financial covenants which apply under certain conditions, as well as negative pledge, *pari passu*, cross-default and change of control clauses. Failure to comply with these covenants, and in certain cases if not suitably remedied, can lead to the requirement of early repayment of any outstanding amounts.

In connection with SACE's guarantee, FCA Group has given the following industrial commitments applicable while any loans are outstanding under the facility: (i) to continue to carry out certain Italian investment projects currently underway and previously announced; (ii) not to delocalize outside Italy production of vehicles under such investment projects; and (iii) to pursue the goal of reducing temporary layoffs for employees engaged under such investment projects in Italy to nil by the end of 2023, each with agreed milestones for implementation.

If the industrial commitments previously described are not implemented by the agreed milestones, the Group may at its option: (i) implement those industrial commitments within an additional six-month period following the milestones; (ii) negotiate and agree alternative milestones and/or commitments with the Italian government; or (iii) repay the loan at any time within 18 months (including a 6 months negotiation period) from the point of non-compliance.

In addition, while loans under the facility are outstanding, FCA N.V. has committed not to approve or pay dividends or other shareholder distributions in the 2020 calendar year (except dividends related to the pending merger with Peugeot S.A.), and the Italian subsidiaries of the Group have committed not to distribute dividends or to make other shareholder distributions until 26 May 2021.

During June 2020, €1.8 billion of the facility was drawn down, of which 80 percent is covered by the SACE guarantee.

At 30 June 2020, undrawn committed credit lines consisted of the Group's €3.5 billion bridge credit facility entered into in March 2020. At 31 December 2019 undrawn committed credit lines available totaling €7.6 billion consisted of the €6.25 billion syndicated revolving credit facility and €1.3 billion of other bilateral revolving lines of credit.

CNH Industrial Group

In March 2019, CNH Industrial signed a five-year committed revolving credit facility for €4 billion ($4.5 billion at the 31 March 2019 exchange rate) due to mature in 2024 with two extension options of 1-year each, exercisable on the first and second anniversary of the signing date. The credit facility replaced an existing five-year €1.75 billion credit facility due to mature in 2021. On 28 February 2020, CNH Industrial exercised the first of the two extension options. The facility is now due to mature in March 2025. Available committed unsecured facilities expiring after twelve months amounted to approximately €4.9 billion at 30 June 2020 (€4.9 billion at 31 December 2019). Total committed secured facilities expiring after twelve months amounted to approximately €3.5 billion at 30 June 2020 €3.6 billion at 31 December 2019), of which €1.2 billion was available at 30 June 2020 (€1 billion at 31 December 2019).

Ferrari Group

In December 2019, Ferrari negotiated a €350 million unsecured committed revolving credit facility (the RCF), that has a 5 year-tenure with two further one-year extension options, exercisable on the first and second anniversary of the signing date at Ferrari's request and with the approval of each participating bank.

In April 2020, additional committed credit lines of €350 million were secured with tenure ranging from 18 to 24 months, doubling total committed credit lines available to €700 million. At 30 June 2020 all of the above mentioned committed credit facilities were undrawn and at 31 December 2019 the RCF were undrawn.

24. Other liabilities

Total other liabilities at 30 June 2020 and at 31 December 2019 are as follows:

(€ million)	**At 30 June 2020**	**At 31 December 2019**
Payables for buy-back agreements	2,886	3,520
Accrued expenses and deferred income	5,286	5,576
Other	5,519	5,665
Total other liabilities	**13,691**	**14,761**

25. Guarantees granted, commitments and contingent liabilities

Guarantees granted by the CNH Industrial Group

At 30 June 2020 the CNH Industrial Group provided guarantees on the debt or commitments of third parties and performance guarantees mainly in the interest of a joint venture related to commercial commitments of defense vehicles totaling €387 million (€403 million at 31 December 2019).

Guarantees granted by the PartnerRe Group

At 30 June 2020 approximately €4.1 billion (€3.8 billion at 31 December 2019) of cash and cash equivalents and securities of the PartnerRe Group were deposited, pledged or held in escrow accounts in favor of ceding companies and other counterparties of government authorities to comply with regulations on reinsurance contracts and insurance laws.

Commitments of the FCA Group arising from contractual arrangements

During the year ended 31 December 2019, FCA entered into multi-year non-cancellable agreements for purchases of regulatory emissions credits in various jurisdictions. At 30 June 2020, these agreements represent total commitments of €0.8 billion, with the related purchased credits expected to be used for compliance years through 2023.

Pending litigation and contingent liabilities

As a global group with a diverse business portfolio, the Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters, dealer and supplier relationships and intellectual property rights. The outcome of any proceedings cannot be predicted with certainty. These risks arise from pending legal proceedings or requests received by the Group seeking recovery for damage to property, personal injuries and in some cases include a claim for exemplary or punitive damage. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group's financial position and results. The Company's reinsurance subsidiaries, and the insurance and reinsurance industry in general, are subject to litigation and arbitration in the normal course of their business operations.

In addition to claims litigation, EXOR and its subsidiaries may be subject to lawsuits and regulatory actions in the normal course of business that do not arise from or directly relate to claims on reinsurance treaties. This category of business litigation typically involves, among other things, allegations of underwriting errors or omissions, employment claims or regulatory activity.

While the outcome of business litigation cannot be predicted with certainty, EXOR and its subsidiaries will dispute all allegations that management believes are without merit.

Contingent liabilities and litigation of the FCA Group

Takata airbag inflators

Putative class action lawsuits were filed in March 2018 against FCA US in the U.S. District Courts for the Southern District of Florida and the Eastern District of Michigan, asserting claims under federal and state laws alleging economic loss due to Takata airbag inflators installed in certain of FCA's vehicles. FCA is vigorously defending against this action and at this stage of the proceedings is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

Emissions Matters

On 10 January 2019, FCA announced that FCA US had reached final settlements on civil environmental and consumer claims with the U.S. Environmental Protection Agency ("EPA"), U.S. Department of Justice ("DoJ"), the California Air Resources Board, the State of California, 49 other States and U.S. Customs and Border Protection, for which it accrued €748 million during the year ended 31 December 2018. Approximately €350 million of the accrual was related to civil penalties to resolve differences over diesel emissions requirements. A portion of the accrual was attributable to settlement of a putative class action on behalf of consumers in connection with which FCA US agreed to pay an average of $2,800 per vehicle to eligible customers affected by the recall. That settlement received final court approval on 3 May 2019.

Nevertheless, FCA continues to defend individual claims from approximately 3,200 consumers that have exercised their right to opt out of the class action settlement and pursue their own individual claims against FCA (the "Opt-Out Litigation"). FCA has engaged in further discovery in the Opt-Out Litigation and participated in court-sponsored settlement conferences, but has reached settlement agreements with less than 100 of these remaining plaintiffs. At 30 June 2020, FCA's best estimate of a probable loss has been included within the provision previously recognized.

In the U.S., FCA remains subject to diesel emissions-related investigations by the U.S. Securities and Exchange Commission (the "SEC") and the DoJ, Criminal Division. In September 2019, the DoJ filed criminal charges against an employee of FCA US for, among other things, fraud, conspiracy, false statements and violations of the Clean Air Act primarily in connection with efforts to obtain regulatory approval of the vehicles that were the subject of the civil settlements described above.

FCA continues to cooperate with these investigations and present FCA's positions on concerns raised by these governmental authorities. Based on the progress of settlement discussions with the SEC, FCA has recognized a provision in an amount that is not material to the Group. FCA has also begun discussions with the DoJ, Criminal Division, to determine whether FCA can reach an appropriate resolution of that investigation. At this time, FCA cannot predict whether or when any settlement may be reached with the DoJ, Criminal Division, or the ultimate outcome of these investigations and it is unable to reliably evaluate the likelihood that a loss with regard to the DoJ, Criminal Division investigation will be incurred or estimate a range of possible loss.
FCA also remains subject to a number of related private lawsuits (the "Non Opt-Out Litigation").
FCA has also received inquiries from other regulatory authorities in a number of jurisdictions as they examine the on-road tailpipe emissions of several automakers' vehicles and, when jurisdictionally appropriate, FCA continues to cooperate with these governmental agencies and authorities.

On 31 August 2020, the US Court of Appeals for the Second Circuit ruled against the National Highway Traffic Safety Administration ("NHTSA"), vacating a final rule published by NHTSA on 26 July 2019 that reduced the Corporate Average Fuel Economy ("CAFE") penalty for the 2019 and subsequent model years. The possible effect of the 31 August 2020 ruling is not yet clear as FCA is unable to assess whether the ruling would apply prospectively or retrospectively to the 2019 model year. Additionally, it is not yet clear whether NHTSA will appeal the ruling or whether FCA or industry representatives would challenge any retroactive application.

In Europe, FCA has been working with the Italian Ministry of Transport ("MIT") and the Dutch Vehicle Regulator ("RDW"), the authorities that certified FCA diesel vehicles for sale in the European Union, and the UK Driver and Vehicle Standards Agency in connection with their review of several of FCA's vehicles.

FCA also initially responded to inquiries from the German authority, the Kraftfahrt-Bundesamt ("KBA"), regarding emissions test results for its vehicles, and FCA discussed the KBA reported test results, FCA's emission control calibrations and the features of the vehicles in question. After these initial discussions, the MIT, which has sole authority for regulatory compliance of the vehicles it has certified, asserted its exclusive jurisdiction over the matters raised by the KBA, tested the vehicles, determined that the vehicles complied with applicable European regulations and informed the KBA of its determination. Thereafter, mediations have been held under European Commission ("EC") rules, between the MIT and the German Ministry of Transport and Digital Infrastructure, which oversees the KBA, in an effort to resolve their differences. The mediation was concluded with no action being taken with respect to FCA. In May 2017, the EC announced its intention to open an infringement procedure against Italy regarding Italy's alleged failure to respond to EC's concerns regarding certain FCA emission control calibrations. The MIT has responded to the EC's allegations by confirming that the vehicles' approval process was properly performed.

In December 2019, the MIT notified FCA that the Dutch Ministry of Infrastructure and Water Management ("I&W") had been communicating with the MIT regarding certain irregularities allegedly found by the RDW and the Dutch Center of Research TNO in the emission levels of certain Jeep Grand Cherokee Euro 5 models and a vehicle model of another OEM that contains a Euro 6 diesel engine supplied by FCA. In January 2020, the Dutch Parliament published a letter from the I&W summarizing the conclusions of the RDW regarding those vehicles and engines and indicating an intention to order a recall and report their findings to the Public Prosecutor, the EC and other Member States. FCA has engaged with the RDW to present FCA's positions and cooperate to reach an appropriate resolution of this matter. In addition, at the request of the French Consumer Protection Agency, the Juge d'Instruction du Tribunal de Grande Instance of Paris is investigating diesel vehicles of a number of automakers including FCA, regarding whether the sale of those vehicles violated French consumer protection laws.
In July 2020, unannounced inspections took place at several of FCA's sites in Germany, Italy and the UK at the initiative of the Public Prosecutors of Frankfurt am Main and of Turin, as part of their investigations of potential violations of diesel emissions regulations and consumer protection laws
In December 2018, the Korean Ministry of Environment ("MOE") announced its determination that approximately 2,400 FCA vehicles imported into Korea during 2015, 2016 and 2017 were not emissions compliant and that the vehicles with a subsequent update of the emission control calibrations voluntarily performed by FCA, although compliant, would have required re-homologation of the vehicles concerned. In May 2019, the MOE revoked certification of the above-referenced vehicles and announced an administrative fine for an amount not material to the Group. FCA has appealed the MOE's decision. FCA's subsidiary in Seoul, Korea is also cooperating with local criminal authorities in connection with their review of this matter and with the Korean Fair Trade Commission regarding a purported breach of the Act on Fair Labeling and Advertisement in connection with the subject vehicles and with the MOE in connection with their review of other FCA vehicles.

The results of the unresolved governmental inquiries and private litigation cannot be predicted at this time and these inquiries and litigation may lead to further enforcement actions, penalties or damage awards, any of which may have a material adverse effect on the FCA's business, financial condition and results of operations. It is also possible that these matters and their ultimate resolution may adversely affect the FCA's reputation with consumers, which may negatively impact demand for FCA's vehicles and consequently could have a material adverse effect on FCA's business, financial condition and results of operations.
At this stage, FCA cannot evaluate the likelihood that a loss will be incurred with regard to the unresolved inquiries and Non Opt-Out Litigation or estimate a range of possible loss.

U.S. Sales Reporting Investigations
On 27 September 2019, the SEC announced the resolution of its investigation into FCA's reporting of vehicle sales to end customers in the U.S. which included FCA's agreement to pay an amount that is not material to the FCA Group. FCA has also cooperated with a DoJ investigation into the same issues, the outcome of which remains uncertain. Any resolution of that matter may involve the payment of penalties and other sanctions. At this time, FCA cannot reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss in connection with that investigation.

As previously reported, two putative securities class action lawsuits were filed against us in the U.S. District Court for the Eastern District of Michigan making allegations with regard to FCA's reporting of vehicle unit sales to end consumers in the U.S. These lawsuits were consolidated into a single action and on 4 October 2018, FCA entered into an agreement in principle to settle the consolidated litigation, subject to court approval, for an amount that is not material to the Group. On 5 June 2019, the Court granted final approval to this settlement.

National Training Center
In connection with an on-going government investigation into matters at the UAW-Chrysler National Training Center, the DoJ has brought charges against a number of individuals including former FCA US employees and individuals associated with the UAW for, among other things, tax fraud and conspiring to provide money or other things of value to a UAW officer and UAW employees while acting in the interests of FCA US, in violation of the Labor Management Relations (Taft-Hartley) Act. Several of the individual defendants have entered guilty pleas and some have claimed in connection with those pleas that they conspired with FCA US in violation of the Taft-Hartley Act. FCA continues to cooperate with this investigation and has engaged in discussions with the DOJ about a potential resolution of this investigation. The outcome of those discussions is uncertain; however, any resolution may involve the payment of penalties and other sanctions. At this time, FCA cannot predict whether or when any settlements may be reached or, if no settlement is reached, the ultimate outcome of any litigation. As such, FCA cannot reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

Several putative class action lawsuits have been filed against FCA US in U.S. federal court alleging harm to UAW workers as a result of these acts. Those actions have been dismissed both at the trial court stage and on appeal. Three plaintiffs in these lawsuits also filed charges alleging unfair labor practices with the U.S. National Labor Relations Board (the "Board"). The Board issued a complaint regarding these allegations and is seeking a cease and desist order as well as the posting of a notification with respect to the alleged practices. At this stage, FCA cannot reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

On 22 July 2020, a group of 27 employees in Toledo (Ohio) Jeep plant filed a lawsuit in U.S. District Court for the Northern District of Ohio against FCA US, the UAW and certain individuals claiming violations of the Racketeer Influenced and Corrupt Organizations (RICO) Act and civil conspiracy. FCA has not been served with the complaint and, at this stage, it is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

General Motors Litigation
On 20 November 2019, General Motors LLC and General Motors Company (collectively, "GM") filed a lawsuit in the U.S. District Court for the Eastern District of Michigan against FCA US, FCA NV and certain individuals, claiming violations of the RICO Act, unfair competition and civil conspiracy in connection with allegations that FCA US paid bribes to UAW officials that corrupted the bargaining process with the UAW and as a result FCA US enjoyed unfair labor costs and operational advantages that caused harm to GM. GM also claimed that FCA US had made concessions to the UAW in collective bargaining that the UAW was then able to extract from GM through pattern bargaining which increased costs to GM and that this was done by FCA US in an effort to force a merger between GM and FCA.

On 8 July 2020, the court dismissed GM's lawsuit with prejudice. GM appealed the court's decision, however on 14 August 2020 the U.S. District Court refused to revive the GM racketeering suit against FCA.

Tigershark Engine
In connection with internal testing, FCA determined that approximately 1 million vehicles equipped with the 2.4L Tigershark engine may have excess tailpipe emissions. FCA has notified the U.S. Environmental Protection Agency (EPA) of the potential issue and FCA is working to identify the population of impacted vehicles as well as a potential solution. Upon the completion of this work, FCA intends to review its proposed solution with the EPA and will likely initiate a recall campaign. At this stage FCA is unable to reliably evaluate the likelihood that material costs will be incurred or estimate a range of possible costs.
In addition, putative class action lawsuits have been filed and are pending against FCA US in U.S. District courts in Michigan and California asserting claims under federal and state laws claiming manufacturing and design defects in certain vehicles equipped with the 2.4L Tigershark engine, which has been installed in approximately 1.6 million vehicles sold in the U.S. The claims allege excessive oil consumption. FCA is evaluating and defending against these actions while FCA works to assess the claims and, if appropriate, any mitigating action it could take. At this early stage, FCA is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

Other matters
U.S. import duties
Historically, FCA has paid a 2.5 percent duty on Ram ProMaster City vehicles imported into the U.S. as passenger vehicles rather than the 25 percent duty applicable to vehicles that are imported into the U.S. as cargo vans. The vast majority of these vehicles are converted into cargo vans after importation. In litigation between a competitor and U.S. Customs and Border Protection ("CBP") involving similar vehicles, the U.S. Court of Appeals for the Federal Circuit ruled in June 2019 that vehicles previously imported by the competitor are subject to the 25 percent duty. The competitor sought to appeal the matter to the U.S. Supreme Court, but in June 2020, the U.S. Supreme Court declined to hear the competitor's case.
FCA believes there are facts that distinguish FCA's case from that of the competitor. However, CBP may seek to recover increased duties for FCA's prior imports, plus interest, and may assert a claim for penalties. At this stage, FCA is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

Contingent liabilities of the CNH Industrial Group
Although the ultimate outcome of legal matters pending against CNH Industrial and its subsidiaries cannot be predicted, CNH Industrial believes the reasonable possible range of losses for these unresolved legal matters in addition to the amounts accrued would not have a material effect on its Consolidated Financial Statements.

Follow-up on Damages Claims: Iveco, the Company's wholly owned subsidiary, and its competitors were subject to an investigation by the European Commission (the "Commission") into certain business practices in the European Union in relation to Medium and Heavy ("M&H") trucks. On 19 July 2016, the Commission announced a settlement with Iveco. Following the settlement, CNH Industrial has been named as defendant in private litigation commenced in various European jurisdictions and Israel by customers and other third parties, either acting individually or as part of a wider group or class of claimants. These claims remain at an early stage. Further, on the basis of the letters issued by a significant number of customers indicating that they may commence proceedings in the future, CNH Industrial expects to face further claims based on the same legal grounds in various other jurisdictions. The extent and outcome of these claims cannot be predicted at this time.

Other matters of the CNH Industrial Group
On 22 July 2020, CNH Industrial confirmed that a number of its offices in Europe have been visited by investigators in the context of a request for assistance by the public prosecutors of Frankfurt am Main and Turin in relation to an alleged noncompliance of two engines produced by FPT Industrial. CNH Industrial immediately made itself available to these investigators, providing its full cooperation and is examining the relevant documentation in order to properly address the requests received. Although at the date hereof CNH Industrial has no evidence of any wrongdoing, the extent and outcome of these requests and related legal proceedings cannot be predicted at this time.

26. Fair value measurement

Assets and liabilities measured at fair value on a recurring basis

The following table shows the fair value hierarchy, based on observable and unobservable input for financial assets and liabilities that are measured at fair value on a recurring basis at 30 June 2020 and 31 December 2019:

(€ million)	Level 1	Level 2	Level 3	Total
Debt securities and equity instruments measured at FVTOCI	1,612	38	206	**1,856**
Debt securities and equity instruments measured at FVTPL	240	-	385	**625**
Derivative financial assets	-	730	-	**730**
Collateral deposits	52	-	-	**52**
Receivables from financing activities and other financial receivables	-	-	444	**444**
Trade receivables	-	16	-	**16**
Other receivables	-	-	69	**69**
Investments of reinsurance companies measured at FVTPL	68	11,444	2,569	**14,081**
Money market securities	6,278	-	-	**6,278**
Total Assets at 30 June 2020	**8,250**	**12,228**	**3,673**	**24,151**
Derivative financial liabilities	(27)	(812)	-	**(839)**
Total Liabilities at 30 June 2020	**(27)**	**(812)**	**-**	**(839)**

(€ million)	Level 1	Level 2	Level 3	Total
Debt securities and equity instruments measured at FVTOCI	60	38	126	**224**
Debt securities and equity instruments measured at FVTPL	309	-	400	**709**
Derivative financial assets	-	173	-	**173**
Collateral deposits	42	-	-	**42**
Receivables from financing activities and other financial receivables	-	-	581	**581**
Trade receivables	-	19	-	19
Other receivables	-	-	69	**69**
Investments of reinsurance companies measured at FVTPL	74	10,239	3,464	**13,777**
Money market securities	2,698	-	-	**2,698**
Total Assets at 31 December 2019	**3,183**	**10,469**	**4,640**	**18,292**
Derivative financial liabilities	(26)	(442)	-	**(468)**
Total Liabilities at 31 December 2019	**(26)**	**(442)**	**-**	**(468)**

Investments of reinsurance companies at fair value principally are classified as Level 2 and include: U.S. government issued bonds; U.S. state, territory and municipal entities bonds; non-U.S. sovereign government, supranational and government related bonds.

Investments classified as Level 3 include inactively traded fixed maturities, unlisted equities, fund investments, derivative instruments and other invested assets. Fair value is determined using valuation models widely accepted; the valuation technique generally used is discounted cash flow, considering counterparty credit risk.

The fair value of other financial assets and liabilities, which mainly includes derivative financial instruments, is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment.

In particular:

- the fair value of forward contracts, swaps and options hedging currency risk is determined by using valuation techniques common in the financial markets and taking market parameters at the balance sheet date (in particular exchange rates, interest rates and volatility rates;
- the fair value of interest rate swaps and forward rate agreements is determined by taking the prevailing interest rates at the balance sheet date and using the discounted expected cash flow method;

- the fair value of combined interest rate and currency swaps is determined using the exchange rates and interest rates prevailing at the balance sheet date and the discounted expected cash flow;
- the fair value of swaps and options hedging commodity price risk is determined by using valuation techniques common in the financial markets and taking market parameters at the balance sheet date (in particular underlying prices, interest rates and volatility rates).

The fair value of money market securities is also based on available market quotations. Where appropriate, the fair value of cash equivalents is determined with discounted expected cash flow techniques using observable market yields (categorized as Level 2).

The fair value of receivables from financing activities, which are classified in Level 3 of the fair value hierarchy, has been estimated using discounted cash flow models. The most significant inputs used in this measurement are market discount rates that reflect conditions applied in various reference markets on receivables with similar characteristics, adjusted in order to take into account the credit risk of counterparties.

The fair value of other receivables, which relates to the contingent consideration receivables from the sale of Magneti Marelli, is classified in Level 3 of the fair value hierarchy and has been estimated using discontinued cash flow models. The most significant inputs used in this measurement are market discount rates.
For assets and liabilities recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by-reassessing categorization at the end of each reporting period.

The following table provides the changes in items measured at fair value classified within Level 3 in the first half of 2020:

		Gains (losses) recognized				
(€ million)	**At 31 December 2019**	**In the income statement**	**In other comprehensive income**	**Increase (decrease)**	**Net transfers into/(out of) Level 3**	**At 30 June 2020**
Debt securities and equity instruments measured at FVTOCI	126	(4)	-	180	(96)	206
Debt securities and equity instruments measured at FVTPL	400	(36)	-	21	-	385
Receivables from financing activities	581	-	-	(137)	-	444
Other receivables	69	-	-	-	-	69
Investments of reinsurance companies measured at FVTPL	3,464	(240)	-	(653)	(2)	2,569
Total Assets	**4,640**	**(280)**	**-**	**(589)**	**(98)**	**3,673**
Investments of reinsurance companies measured at FVTPL	-	-	-	3	-	3
Total Liabilities	**0**	**-**	**-**	**3**	**-**	**3**

The transfer from Level 3 to Level 1 of debt securities and equity instruments measured at FVTOCI refers principally to the investment in Nikola Corporation as the company became listed during the first half of 2020.
Gains (losses) included in the income statement for the first half of 2020 are recognized in financial income (expenses) and cost of revenue. The gains (losses) recognized in other comprehensive income (loss) are included in the fair value reserve and in the cash flow hedge reserve.

Assets and liabilities not measured at fair value on a recurring basis
The carrying value of debt securities measured at amortized cost, financial receivables, current receivables and payables is a reasonable approximation of the fair value as the present value of future cash flow does not differ significantly from the carrying amount.

The following table presents the carrying amount and the fair value for financial assets and liabilities not measured at fair value on a recurring basis:

(€ million)	At 30 June 2020		At 31 December 2019	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Dealer financing receivables	8,637	8,607	10,722	10,718
Retail financing receivables	8,715	8,850	9,321	9,272
Finance lease receivables	439	443	458	456
Non-current debt securities	61	64	52	55
Other	517	517	337	337
Total assets	**18,369**	**18,481**	**20,890**	**20,838**
Financial liabilities				
Notes	(19,062)	(19,587)	(19,031)	(20,212)
Borrowing from banks, payables represented by securities and other financial debt	(19,917)	(19,476)	(10,415)	(10,703)
Asset-backed financing	(10,719)	(10,800)	(11,405)	(11,371)
Lease liabilities	(2,234)	(2,234)	(2,180)	(2,180)
Total liabilities	**(51,932)**	**(52,097)**	**(43,031)**	**(44,466)**

Non-current debt securities are represented by notes issued by leading counterparties, listed on active markets and therefore their fair value is categorized in Level 1.

The fair values of receivables from financing activities, which are classified in Level 3 of the fair value hierarchy, have been estimated with discounted cash flows models. The most significant inputs used for this measurement are market discount rates that reflect conditions applied in various reference markets on receivables with similar characteristics, adjusted to take into account the credit risk of the counterparties.

Notes that are traded in active markets for which a close or last trade pricing is available are classified in Level 1 of the fair value hierarchy. Notes for which such prices are not available are valued at the last available price or based on quotes received from third parties and are categorized within Level 2 of the fair value hierarchy.
The fair value of the senior notes of PartnerRe was calculated based on discounted cash flow models using observable market yields and contractual cash flows.
The fair value of notes is categorized principally in Level 1 and in Level 2.

The fair value of borrowings from banks, payables represented by securities and other financial debt, classified principally in Level 2, has been estimated using discounted cash flow models.
The main inputs used are period-end market interest rates, adjusted for market expectations of the Group's non-performance risk implied in quoted prices of traded securities issued by the Group and existing credit derivatives on Group liabilities. The fair value of the debt that requires significant adjustments using unobservable inputs is classified in Level 3.

The fair value of lease liabilities classified within Level 3 of the fair value hierarchy has been estimated using discounted cash flow models that require significant adjustments using unobservable inputs.

27. Related party transactions

The entities of each consolidated Group put in place transactions with subsidiaries, joint ventures, associates and other related parties, on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

Pursuant to IAS 24 the related parties of the EXOR Group are Giovanni Agnelli, the FCA Group, the CNH Industrial Group, the Ferrari Group, the PartnerRe Group, the GEDI Group, Juventus and their respective unconsolidated subsidiaries, associates or joint ventures, The Economist Group and their subsidiaries. In addition, members of the board of directors of EXOR and its parent Giovanni Agnelli and their families are also considered related parties.

The effects of transactions with related parties recognized in the consolidated income statement of the Group for the six months ended at 30 June 2020 and 2019 are as follows:

	Six months ended 30 June							
(€ million)	2020				2019			
	Net revenues	Cost of revenues	Selling, general and other (income) expenses	Financial income (expenses)	Net revenues	Cost of revenues	Selling, general and other (income) expenses	Financial income (expenses)
Total joint ventures	1,484	1,662	8	17	1,950	2,490	(8)	27
Total associates	59	46	1	(1)	80	103	-	-
Total other related parties	-	-	-	-	5	-	1	-
Total unconsolidated subsidiaries	3	3	3	-	3	3	5	-
Total related parties	**1,546**	**1,711**	**12**	**16**	**2,038**	**2,596**	**(2)**	**27**

Non-financial assets and liabilities originating from related party transactions at 30 June 2020 and at 31 December 2019 are as follows:

(€ million)	At 30 June 2020				At 31 December 2019			
	Trade receivables	Trade payables	Other assets	Other liabilities	Trade receivables	Trade payables	Other assets	Other liabilities
Total joint ventures	340	443	-	191	304	365	2	238
Total associates	22	53	10	7	28	65	9	8
Total other related parties	2	-	-	-	4	-	-	1
Total unconsolidated subsidiaries	6	12	-	-	7	9	-	-
Total related parties	**370**	**508**	**10**	**198**	**343**	**439**	**11**	**247**

Financial assets and liabilities originating from related party transactions at 30 June 2020 and at 31 December 2019 are as follows:

(€ million)	At 30 June 2020		At 31 December 2019	
	Receivables from financing activities	Financial debt	Receivables from financing activities	Financial debt
Total joint ventures	319	82	175	194
Total associates	33	2	33	5
Total other related parties	-	-	-	-
Total unconsolidated subsidiaries	15	27	1	24
Total related parties	**367**	**111**	**209**	**223**

28. Subsequent events

Reference should be made to the 2020 Half-year Board Report.

Responsibility statement

The Board of Directors is responsible for preparing the 2020 Half-year Financial Report, inclusive of the Half-year Condensed Consolidated Financial Statements and the Half-year Board Report, in accordance with the Dutch Financial Supervision Act and the applicable International Financial Reporting Standards (IFRS) for interim reporting, IAS 34 – Interim Financial Reporting.

In accordance with Section 5:25d, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors states that, to the best of its knowledge, the Half-year Condensed Consolidated Financial Statements prepared in accordance with applicable accounting standards provide a true and fair view of the assets, liabilities, financial position and profit or loss of EXOR and its subsidiaries, and the undertakings included in the consolidation as a whole, and the Half-year Board Report provides a fair review of the information required pursuant to Section 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act.

3 September 2020

The Board of Directors:

John Elkann

Alessandro Nasi

Andrea Agnelli

Ginevra Elkann

Marc Bolland

Joseph Bae

Melissa Bethell

Laurence Debroux

António Horta-Osório

Independent auditor's review report

To: the shareholders and the board of directors of EXOR N.V.

Our conclusion

We have reviewed the half-year condensed consolidated financial statements included in the accompanying interim report of EXOR N.V. based in Amsterdam for the period from January 1, 2020 to June 30, 2020.

Based on our review, nothing has come to our attention that causes us to believe that the half-year condensed consolidated financial statements of EXOR N.V. for the period from January 1, 2020 to June 30, 2020, is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

The half-year condensed consolidated financial statements comprise:

- Half-year condensed consolidated statement of financial position as at June 30, 2020
- The following half-year condensed consolidated statements for the period from January 1, 2020 to June 30, 2020: the income statement, comprehensive income, cash flow and changes in equity
- The notes comprising of a summary of the significant accounting policies and selected explanatory information

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, "Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit" (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the Our responsibilities for the review of the half-year condensed consolidated financial statements section of our report.

We are independent of EXOR N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter relating to uncertainty about Corona

The developments around the Corona (COVID-19) pandemic have a profound impact on people, society and on the economy. This impacts operational and financial performance of organizations and the assessment of the ability to continue as a going concern. The impact may continue to evolve, giving rise to complexity and inherent uncertainty. EXOR N.V. is confronted with this uncertainty as well.

The half-year condensed consolidated financial statements and our review report thereon reflect the conditions at the time of preparation, including the uncertainty and the impact on significant assumptions and estimations, that are disclosed in the notes to the half-year condensed consolidated financial statements in the basis of preparation and significant accounting policies in Section 2, the disclosures about TAX expenses in Section 9, intangible fixed assets in Section 11, property plant and equipment in Section 12 and financial debt and other liabilities in Section 23. For subsequent events we refer to Section 25. We draw attention to these disclosures. Our conclusion is not modified in respect of this matter.

Responsibilities of management and the audit committee for the half-year condensed consolidated financial statements

Management is responsible for the preparation and presentation of half-year condensed consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the half-year condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The audit committee is responsible for overseeing the company's financial reporting process.

Our responsibilities for the review of the half-year condensed consolidated financial statements

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with Dutch Standard 2410.
Our review included among others:

- Updating our understanding of the entity and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the half-year condensed consolidated financial statements where material misstatements are likely to arise due to fraud or error, designing and performing analytical and other review procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion
- Obtaining an understanding of internal control as it relates to the preparation of the half-year condensed consolidated financial statements
- Making inquiries of management and others within the entity
- Applying analytical procedures with respect to information included in the half-year condensed consolidated financial statements
- Obtaining assurance evidence that the half-year condensed consolidated financial statements agree with, or reconcile to, the entity's underlying accounting records
- Evaluating the assurance evidence obtained
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle

- Considering whether management has identified all events that may require adjustment to or disclosure in the half-year condensed consolidated financial statements
- Considering whether the half-year condensed consolidated financial statements have been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement

Rotterdam, September 3, 2020

Ernst & Young Accountants LLP

/s/ by Pieter Laan