

# **INTERIM REPORT ON OPERATIONS AT 30 SEPTEMBER 2018**

This English version of Tinexta's Interim Report on Operations at 30 September 2018 is made available to provide non-Italian speakers a translation of the original document. Please note that in the event of any inconsistency or discrepancy between the English version and the Italian version, the original Italian version shall prevail.



**TINEXTA**



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## COMPANY DATA and COMPOSITION OF THE CORPORATE GOVERNANCE BODIES

### Parent Company's Registered Office

TINEXTA S.p.A.<sup>1</sup>  
Piazza Sallustio 9  
00187 Rome Italy

### Statutory Information about the Parent Company

Share capital resolved € 47,207,120 - subscribed and paid-in € 46,890,120  
Rome Company Register No. RM 1247386  
Tax ID and VAT No. 10654631000  
Website [www.tinexta.com](http://www.tinexta.com)

### Corporate governance bodies currently in office

#### Board of Directors

Enrico Salza	Chairman
Pier Andrea Chevallard	Managing Director
Alessandro Potestà	Director
Riccardo Ranalli	Director
Laura Benedetto	Director (independent)
Gian Paolo Coscia	Director (independent)
Elisa Corghi	Director (independent)
Giada Grandi	Director (independent)
Eugenio Rossetti	Director (independent)
Paola Generali	Director (independent)
Lorena Pellissier	Director (independent)

#### Control and Risks and Related Parties Committee

Eugenio Rossetti	Chairman
Riccardo Ranalli	
Elisa Corghi	
Alessandro Potestà	
Gian Paolo Coscia	

#### Remuneration Committee

Giada Grandi	Chairman
Riccardo Ranalli	
Paola Generali	
Lorena Pellissier	
Eugenio Rossetti	

#### Board of Statutory Auditors

Luca Laurini	Chairman
Monica Mannino	Standing Auditor
Alberto Sodini	Standing Auditor
Domenica Serra	Alternate Auditor
Maria Cristina Ramenzoni	Alternate Auditor

#### Independent Auditors

KPMG S.p.A.

### Manager responsible for the preparation of the Company's accounting documents

Nicola Di Liello

### Registered and Operating Office

Piazza Sallustio 9 - 00187 Rome

### Operating Office

Via Principi d'Acaia, 12 - 10143 Turin  
Via Meravigli, 7 - 20123 Milan

<sup>1</sup> On 7 November 2018, the Extraordinary Shareholders' Meeting approved the proposal to change the Company name from Tecnoinvestimenti to Tinexta S.p.A.. The change became effective on 8 November 2018 following the registration in the Rome Corporate Registry.

## SUMMARY OF GROUP RESULTS

Summary economic data (In thousands of Euro)	30/9/2018	30/9/2017 <sup>2</sup>	Change	Change %	of which % Change IFRS 2018 <sup>3</sup>
Revenues	169,742	127,097	42,646	33.6%	0.7%
EBITDA	44,125	29,511	14,614	49.5%	3.4%
Operating profit	33,138	20,628	12,510	60.6%	4.8%
Net profit	22,020	14,954	7,066	47.2%	3.9%
Adjusted net profit <sup>4</sup>	24,613	12,627	11,986	94.9%	4.6%
Free Cash Flow	29,617	21,351	8,266	38.7%	n.a.

Summary equity-financial data (In thousands of Euro)	30/9/2018	31/12/2017	Change	Change %
Share capital	46,573	46,573	0	0.0%
Shareholders' equity	139,102	143,317	-4,215	-2.9%
Net financial indebtedness	104,095	104,563	-468	-0.4%

Since 1 January 2018, the Group has adopted IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments", which have led to changes in accounting policies and adjustments to the amounts entered in the accounts. Comparative 2017 data have not been restated, while the data for the subject period take into account application of IFRS 15 and IFRS 9 (both IFRS 2018). In order to ensure effective comparability with the results of the first nine months of 2017, the effects on the comparative analyses arising from application of the standards from 1 January 2018 (IFRS 2018) are illustrated.

<sup>2</sup> The comparative data for the first nine months of 2017 were re-stated in relation to the completion, in the fourth quarter of 2017, of identification of the fair values of the assets and liabilities of Sixtema S.p.A., consolidated on a line-by-line basis from 1 April 2017.

<sup>3</sup> % Change of the first nine months of 2018 compared to the first nine months of 2017 for the portion attributable to adoption of the IFRS 15 and IFRS 9 standards (both IFRS 2018) starting from 1 January 2018.

<sup>4</sup> The *Adjusted net profit* is calculated using "Net profit" net of non-recurring components and amortisation of intangible assets recognised upon allocation of the price paid for business combinations, net of tax effect.

## INTERIM REPORT ON OPERATIONS

### GROUP ACTIVITIES

The Tinexta Group operates in Italy and to a lesser extent abroad in three business units: Digital Trust, Credit Information & Management and Innovation & Marketing Services. The Group has developed rapidly in recent years, due to both organic growth and acquisitions, aimed at expanding the portfolio of products/services and extending the offering to market sectors considered strategic and synergistic.

The Group operates through three Business Units (BUs):

1. The Digital Trust Business Unit proposes IT solutions to the market for digital identity and dematerialisation of processes in line with applicable regulations (including the new European eIDAS regulation) and customer and sector compliance standards, through various products and services such as certified e-mail (CEM), electronic storage, digital signature, e-invoicing, Telematic Trust Solutions and Enterprise Content Management Solutions. Digital Trust activities are provided by the Group through the InfoCert S.p.A., Visura S.p.A. and their subsidiaries.

For the purpose of carrying out activities as a manager of certified e-mail, electronic storage and Digital Signature, InfoCert is qualified as Certification Authority and accredited by the AgID (Agenzia per l'identità digitale, the governmental Agency for Digital Identity). The ability to provide said IT solutions is reserved for entities that meet certain legal requirements, in terms of both assets and organic and technological infrastructure. InfoCert has also been accredited by AgID as Identity Trust Provider, i.e. Digital Identity manager, which can issue digital identities to citizens and businesses, managing in total security the authentication of clients.

Sixtema S.p.A., 80%-owned by InfoCert since April 2017, provides IT and management services to companies, entities, associations and institutions, with a particular focus on the world of CNAs - Confederazione Nazionale dell'Artigianato (National Confederation of Artisans). It has its own data centre through which it provides software services via ASP and/or SaaS. Moreover, as service provider, it provides an integrated technological infrastructure service. Its offer includes software solutions to comply with all tax obligations, employment legislation and other regulations in general.

Camerfirma S.A., 51% owned by InfoCert since May 2018, leader in Spain in the Digital Trust sector and present in the South American market as well (Camerfirma Perú S.A.C.), mainly offers digital certification services. It has launched the marketing of high value-added InfoCert products to banks and large companies operating on the Spanish market.

Visura and its subsidiary Lextel S.p.A. are active in the Digital Trust market, mainly through the sale of Telematic Trust Solutions and resale services of products such as certified e-mail, digital signature and electronic invoicing like InfoCert; they also offer telematic services and manage approximately 450 thousand client lists including professionals, professional firms, public administrations, professional associations and companies; through its subsidiary ISI Sviluppo Informatico S.r.l., the Visura group also offers products and services in the IT sector for professional associations such as electronic filing, CAF Facile (the filing of 730 tax return statements and related documents) and certified e-mail.

2. The Credit Information & Management BU provides standard and value-added services mainly aimed at supporting processes for the granting, assessment and recovery of credit in both the banking and business sectors and operates through Innolva S.p.A.<sup>5</sup> (created from the merger of the companies Assicom S.p.A. and Ribes S.p.A. in 2017), its subsidiaries Comas S.r.l. and Webber S.r.l. (acquired in July 2018) and RE Valuta S.p.A.

Innolva provides a complete range of IT services to support decision-making processes for the granting, assessment and recovery of credit, along with credit management and business information services, through a business model characterised by the integration of services, with the aim of supporting banks and SMEs at every stage of the credit management and recovery cycle. In May 2018, Innolva sold 70% of Creditreform Assicom Ticino, which belongs to the Creditreform network, an international organisation operating in the business information and credit recovery sector with which it operates on the Swiss market. In July 2018, Innolva finalised the acquisition of Comas and Webber, respectively established in 1976 and 2013 and predominantly active in the resale, through the internet, of business information such as filings with Chambers of Commerce, cadastral property registries, the automobile registry and the Registry Office, court certificates, reports on natural and legal persons and other information services.

RE Valuta identifies and provides assessment services to define the value of real estate collateral during the granting of loans or for assessment of the values of real estate assets recorded in the financial statements, targeting predominantly banks and funds.

3. The Innovation & Marketing Services BU operates in the market through Co.Mark S.p.A., its subsidiary Co.Mark TES S.L., and Warrant Hub<sup>6</sup> S.p.A. and its subsidiaries acquired in November 2017. Through a team of TES<sup>®</sup> (Temporary Export Specialist<sup>®</sup>), Co.Mark provides value-added services aimed at supporting small and medium-sized companies or networks of companies in their internationalisation, in the search for customers and in creating business opportunities in Italy as well as abroad. In July 2015, Co.Mark TES was established in Barcelona with the objective of developing the innovative export model, also in support of the Spanish SMEs, which operate in a market very similar to the Italian one.

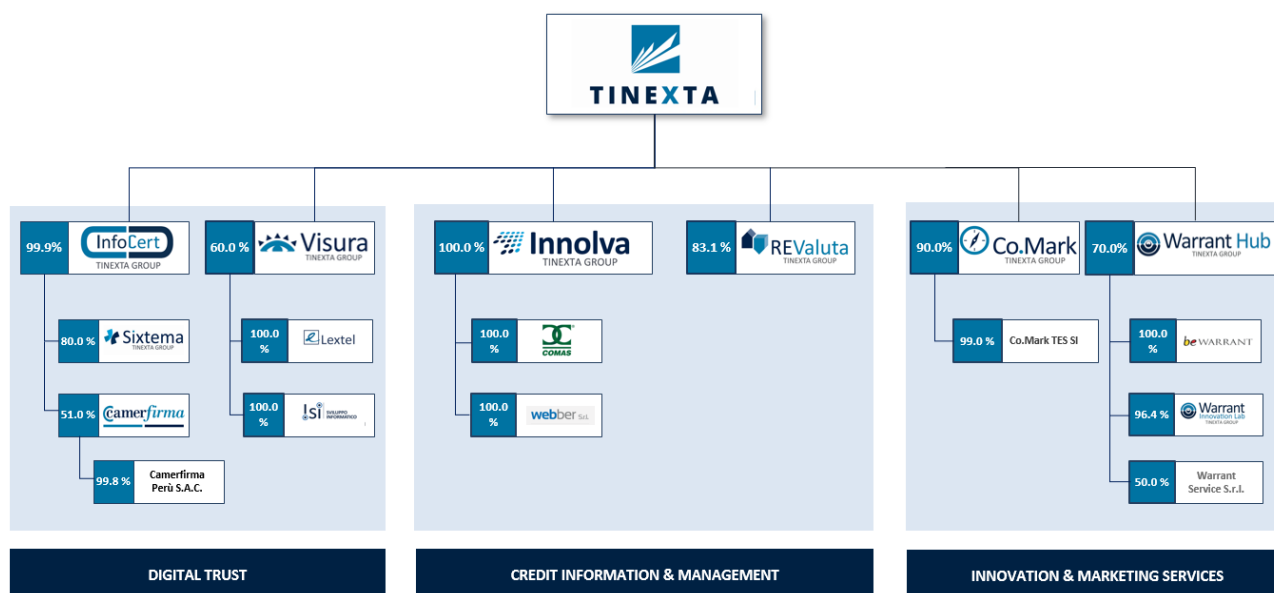
Warrant Hub and its subsidiaries predominantly offer consulting services to companies that invest in productivity and R&D innovation to obtain subsidised and integrated loans, also through tools provided by the European Union, the Ministry of Economic Development and the Regions, and tools provided by the National Industry Plan 4.0. Warrant Hub offers specific support to companies in managing relations with banks and in analysing company ratings in order to identify the most critical variables on which to implement actions to improve the company in view of Basel 2. Warrant Innovation Lab focuses on promoting the sharing of knowledge, ideas, products, technologies and methodologies among companies, universities and research centres, in order to systematically generate and support industrial innovation.

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<sup>5</sup> As described in the note KEY EVENTS OF THE PERIOD, on 26 April 2018, Assicom Ribes changed its name to Innolva S.p.A.

<sup>6</sup> As described in the note KEY EVENTS SUBSEQUENT TO 30 SEPTEMBER 2018, on 6 November 2018, the Shareholders' Meeting of Warrant Group S.r.l. approved the change of the company name to Warrant Hub and the legal form to S.p.A.

The chart that follows outlines the structure of the Tinexta Group, including controlling interests held, at 30 September 2018.



## KEY EVENTS OF THE PERIOD

An overview of the key events that occurred in the year up to 30 September 2018 is provided as follows:

- On 8 February 2018, Cedacri, a Tinexta shareholder, completed the placement of 4.25% of the share capital at € 6.70 per share. Following the disposal, achieved through an accelerated book building procedure reserved for institutional investors, Cedacri's stake in Tinexta dropped to 1.352%, with regard to which Cedacri undertook a 180-day lock-up commitment.
- On 1 March 2018, the Board of Directors of Assicom Ribes S.p.A (now Innolva S.p.A.) resolved to dispose of the stake held in Swiss company Creditreform Assicom Ticino SA since, after the changes made to the corporate structure of Assicom Ribes S.p.A. in 2017, this investment is no longer considered strategic. Innolva S.p.A. completed the sale on 22 May 2018. Creditreform Assicom Ticino S.A. was consolidated into the Tinexta Group on a line-by-line basis until 31 May 2018, and with the equity method starting from 1 June.
- On 13 March 2018, InfoCert S.p.A. received a petition from Thron S.p.A. demanding the payment of € 200 thousand as a penalty due to the failure to comply with a confidentiality agreement, in addition to € 21,780 thousand due to greater damages suffered for alleged undue use of software. In acknowledging this judicial initiative, Tinexta S.p.A. highlights the groundlessness of the arguments supporting the claims made. To that end, the appropriate judicial initiatives are underway.
- The Ordinary Shareholders' Meeting of 24 April 2018 renewed and set the number of members of the Board of Directors at 11 for the years 2018-2019-2020, as well as the Board's remuneration, confirming Enrico Salza as the Chairman of the Board of Directors. The Ordinary Shareholders' Meeting also appointed the Board of Statutory Auditors for the period 2018-2020 and resolved the distribution of a dividend of € 0.14 per ordinary share, for a total amount of € 6,520,236.80.



5. On 26 April 2018, Assicom Ribes changed its name to Innolva S.p.A. Innolva is the new name of the company fully owned by Tinexta S.p.A., which offers business information, risk monitoring and credit recovery services and is part of the Group's Credit Information & Management Business Unit. The company's change in name from Assicom Ribes S.p.A. to Innolva S.p.A. was approved by the company's Extraordinary Shareholders' Meeting on 28 March 2018 and became effective for all intents and purposes following registration with the Corporate Registry of the Chamber of Commerce of Udine.
6. On 3 May 2018, the Tinexta Group, through its subsidiary Infocert S.p.A., successfully completed the acquisition of AC Camerfirma SA (Camerfirma), leader in Spain in the Digital Trust sector, present in the South American market as well (Camerfirma Perú). Infocert has a 51% stake in the new company. The transaction allows Infocert S.p.A. to pursue its growth strategy through:
  - The creation of an international Trust Service Provider with solid roots and a clear focus on the European market;
  - Integration of the respective offers and capabilities for effective coverage of the market;
  - Optimisation of synergies in infrastructures, transactions, investments, innovation and development of new products/solutions.

The 51% acquisition of Camerfirma took place through the subscription of a share capital increase of € 3.1 million. InfoCert carried out the acquisition with internal resources.

7. On 5 July, Innolva S.p.A. acquired 100% of Comas S.r.l. and Webber S.r.l., two companies active in the sale of business and real estate information through the internet, for a value of € 9.25 million. The transaction is part of the broader strategy aimed at strengthening the web positioning and increasing the market share of Innolva, one of the Italian leaders in the distribution and processing of business and real estate information, as well as credit management services, for small and medium enterprises, banks, professionals and public administration.
8. On 9 July 2018, Tinexta S.p.A. signed two Capped Swap derivative contracts with UBI Banca. These derivative contracts were stipulated to hedge the risk connected to variability in the cash flows due to fluctuation in the Euribor 6-month interest rate (Cash Flow Hedge) on the Cariparma Line B and UBI loans, which expire on 30 June 2023 (as better defined in Note 30 to the Condensed Interim Consolidated Financial Statements as at 30 June 2018). Both contracts envisage a maximum Euribor 6-month rate of 1.5%.
9. On 12 July 2018, Tinexta S.p.A. completed the purchase of an additional 10% of Co.Mark S.p.A., which operates in the Innovation & Marketing Services Business Unit, for a total amount of € 6,296 thousand, following the exercising of the second put option by minority shareholders within the contractually envisaged times. Tinexta's stake in Co.Mark S.p.A. has thus risen to 90%.
10. On 10 September 2018, Tinexta S.p.A. received from Cedacri S.p.A. - which according to publicly available information, held 1.352% of the share capital of Tinexta S.p.A. as at that date - the request to exercise the second tranche of Warrants held by it, for the maximum envisaged number of 317,000 Warrants, corresponding to 317,000 new ordinary shares of Tinexta S.p.A. at the subscription price of Euro 3.40 per share. At the same time as the request, Cedacri S.p.A. paid an amount of € 1,077,800, recognised under equity reserves. The exercising of the second tranche is the result of the satisfaction of the conditions set forth in art. 3 of the Regulation of the "Warrant Tinexta 2016-2019" for the year ended 31 December 2017.
11. On 26 September, the Tinexta Group signed a strategic partnership with LuxTrust. Tinexta, through

its subsidiary InfoCert S.p.A., the biggest Certification Authority in Europe, signed an agreement to acquire 50% of LuxTrust, leader in Digital Trust in Luxembourg, with a strong institutional sponsorship through subscription of a share capital increase upon closing of the deal. Through LuxTrust, InfoCert plans to accelerate its business activities in France, the Netherlands and Belgium.

12. On the same date, namely 26 September 2018, Visura S.p.A. acquired the minority shareholder stakes of ISI Sviluppo Informatico S.r.l. for € 250 thousand, corresponding to 8% of its share capital. This deal was aimed at completing the merger by incorporation of subsidiaries Lextel S.p.A. and ISI Sviluppo Informatico S.r.l., resolved by the Board of Directors of Visura S.p.A. on 11 September 2018.

## DEFINITION OF PERFORMANCE INDICATORS

Tinexta management evaluates the performance of the Group and of the business segments also on the basis of a number of indicators not envisaged by the IFRS.

With regard to said indicators, on 3 December 2015, CONSOB issued Communication no. 0092543/15, authorising application of the Guidelines issued on 5 October 2015 by the European Securities and Markets Authority (ESMA/2015/1415), regarding their presentation in the regulated information disclosed or in the statements published starting from 3 July 2016. These guidelines are intended to promote the usefulness and transparency of the alternative performance indicators included in the regulated information or in the statements falling within the scope of application of Directive 2003/71/EC, in order to improve their comparability, reliability and comprehensibility, when such indicators are not defined or envisaged by the financial reporting framework.

The criteria used to calculate these indicators are provided below, in line with the aforementioned communications.

**EBITDA:** Calculated as “Net profit” before “Income taxes”, “Net financial income (charges)”, “Share of profit of equity-accounted investments”, “Amortisation/depreciation”, “Provisions” and “Impairment”, or as “Revenues” before “Costs of raw materials”, “Service costs”, “Personnel costs”, “Contract costs” and “Other operating costs”.

**Operating profit:** Although the IFRS do not contain a definition of Operating profit, it is presented in the Statement of profit/(loss) and other components of the comprehensive statement of income and is calculated by subtracting “Amortisation/depreciation”, “Provisions” and “Impairment” from EBITDA.

**Adjusted net profit:** Calculated using “Net profit” net of non-recurring components and amortisation of intangible assets recognised upon allocation of the price paid for business combinations, net of tax effect. This indicator reflects the Group’s economic performance, net of non-recurring factors that are not directly attributable to the activities and operation of its core business.

**Adjusted EPS:** Obtained from the ratio of *Adjusted net income* and the weighted average number of ordinary shares outstanding during the period.

**Net financial position (indebtedness):** Determined in accordance with Consob Communication no. 6064293 of 28 July 2006 and the ESMA/2013/319 Recommendation, subtracting “Current financial liabilities”, “Derivative financial instruments payable” and “Non-current financial liabilities” from “Cash and cash equivalents”, “Other current financial assets” and “Current derivative financial instruments receivable”.

**Total net financial position (indebtedness):** Calculated by adding the *Net financial position (indebtedness)*, “Non-current derivative financial instruments receivable” and “Other non-current financial assets”.

**Free Cash Flow:** Represents the cash flow available for the Group and is equal to the difference between the cash flow from operating activities and the cash flow for investments in capital assets. It is equal to the difference between “Net cash and cash equivalents generated by operations” and the sum of “Investments in property, plant and equipment” and “Investments in intangible assets” included in the Statement of Cash Flows.

**Net non-current assets:** The difference between “Non-current assets” and “Non-current liabilities”, with the exception of:

- “Non-current derivative financial instruments payable”
- “Non-current financial liabilities”
- “Non-current receivables from customers”
- “Non-current contract cost assets”.

**Net working capital:** The difference between “Current assets” and “Current liabilities”, including “Non-current receivables from customers” and “Non-current contract cost assets” and excluding:

- “Current derivative financial instruments receivable”
- “Other current financial assets”
- “Cash and cash equivalents”
- “Current derivative financial instruments payable”
- “Current financial liabilities”.

**Net invested capital:** The algebraic sum of *Net non-current assets* and *Net working capital*.

## GROUP ECONOMIC RESULTS

The Group closed the first nine months at 30 September 2018 with Revenues of € 169,742 thousand. EBITDA amounted to € 44,125 thousand, equal to 26.0% of Revenues. Operating profit and Net profit amounted to € 33,138 thousand and € 22,020 thousand, respectively, equal to 19.5% and 13.0% of Revenues.

Since 1 January 2018, the Group has adopted IFRS 15 “Revenue from Contracts with Customers” and IFRS 9 “Financial Instruments”, which have led to changes in accounting policies and adjustments to the amounts entered in the accounts. In order to ensure effective comparability with the results of the first nine months of 2017, the effects on the comparative analyses arising from application of the IFRS 15 and IFRS 9 standards from 1 January 2018 (both IFRS 2018) are illustrated.

Summary Consolidated income statement (in thousands of Euro)	30/9/2018	%	30/9/2017	%	Change	of which change IFRS 2018	Change %	of which change % IFRS 2018
Revenues	169,742	100.0%	127,097	100.0%	42,646	868	33.6%	0.7%
EBITDA	44,125	26.0%	29,511	23.2%	14,614	997	49.5%	3.4%
Operating profit	33,138	19.5%	20,628	16.2%	12,510	997	60.6%	4.8%
Net profit	22,020	13.0%	14,954	11.8%	7,066	587	47.2%	3.9%

Revenues rose by € 42,646 thousand or 33.6%, EBITDA by € 14,614 thousand or 49.5%, Operating profit by € 12,510 thousand or 60.6%, and Net profit by € 7,066 thousand or 47.2%. The results reflect organic growth and expansion of the Group’s perimeter compared to the first nine months of 2017, with the introduction of:

- Sixtema, consolidated line-by-line as of 1 April 2017;
- Warrant Hub and its subsidiaries, consolidated as of 1 December 2017;
- Camerfirma and its subsidiary Camerfirma Perù, consolidated as of 1 May 2018;
- Comas and Webber, consolidated as of 1 July 2018.

It is worthwhile noting the deconsolidation, following the sale, of Creditreform Assicom Ticino as of 1 June 2018. Starting from this date, the participation is accounted for using the equity method of the associated stake of 30%.

The table below shows the economic results net of non-recurring items.

Summary Consolidated income statement net of non-recurring items (in thousands of Euro)	30/9/2018	%	30/9/2017	%	Change	of which change IFRS 2018	Change %	of which change % IFRS 2018
Revenues	169,563	100.0%	120,868	100.0%	48,695	868	40.3%	0.7%
EBITDA	44,745	26.4%	25,046	20.7%	19,699	997	78.7%	4.0%
Operating profit	33,759	19.9%	16,163	13.4%	17,596	997	108.9%	6.1%
Net profit	22,492	13.3%	10,243	8.5%	12,249	587	119.6%	5.7%

Net of the non-recurring items, Revenues were up by 40.3%, EBITDA by 78.7%, Operating profit by 108.9% and Net profit by 119.6%.

#### *Non-recurring items*

During the first nine months of 2018, non-recurring revenues of € 179 thousand were recorded, due to a capital gain on the sale of a capital property. Non-recurring operating costs were also recorded for € 800 thousand, of which € 583 thousand for costs linked to acquisitions of target companies and € 216 thousand in personnel reorganisation costs.

Non-recurring revenues of € 6,228 thousand were recorded in the first nine months of 2017, along with relative expenses of € 387 thousand, following a sentence in favour of Ribes S.p.A. (now Innolva S.p.A.) for compensation for damages by Agenzia del Territorio (now Agenzia delle Entrate). During the first nine months ended 30 September 2017, additional non-recurring charges were incurred for a total of € 1,376 thousand and non-recurring financial income of € 747 thousand.

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The calculation method of the Adjusted net profit for the period is shown below, used to present the Group's operating performance, net of non-recurring items and the amortisation of intangible assets which arose at the time of allocation of the price paid in the business combinations (net of the tax effect). This indicator reflects the Group's economic performance, net of non-recurring factors that are not directly attributable to the activities and operation of its core business, thus allowing a more homogeneous analysis of the Group's performance in the periods under comparison.

<b>Summary Consolidated income statement</b>						
<i>(in thousands of Euro)</i>	<b>30/9/2018</b>	<b>30/9/2017</b>	<b>Change</b>	<i>of which change IFRS 2018</i>	<b>Change %</b>	<i>of which change % IFRS 2018</i>
<b>Net profit</b>	<b>22,020</b>	<b>14,954</b>	<b>7,066</b>	<i>587</i>	<b>47.2%</b>	<i>3.9%</i>
Non-recurring revenues	-179	-6,228	6,049			
Non-recurring service costs	583	1,337	-754			
Non-recurring personnel costs	216	380	-164			
Other non-recurring operating costs		46	-46			
Amortisation of intangible assets recognised upon cost allocation (PPA)	2,976	3,340	-363			
Non-recurring financial income		-747	747			
Tax effect	-1,004	-455	-549			
<b>Adjusted net profit</b>	<b>24,613</b>	<b>12,627</b>	<b>11,986</b>	<i>587</i>	<b>94.9%</b>	<i>4.6%</i>

The following table provides details of the Income statement for the first nine months of 2018 compared to the first nine months of 2017:

Consolidated Income Statement (in thousands of Euro)	30/9/2018	%	30/9/2017	%	Change	of which change IFRS 2018	Change %	of which change % IFRS 2018
<b>Revenues</b>	<b>169,742</b>	<b>100.0%</b>	<b>127,097</b>	<b>100.0%</b>	<b>42,646</b>	<b>868</b>	<b>33.6%</b>	<b>0.7%</b>
<b>Total Operating Costs</b>	<b>125,617</b>	<b>74.0%</b>	<b>97,585</b>	<b>76.8%</b>	<b>28,032</b>	<b>-129</b>	<b>28.7%</b>	<b>-0.1%</b>
Costs of raw materials	4,008	2.4%	3,966	3.1%	42	385	1.1%	9.7%
Service costs	57,686	34.0%	48,793	38.4%	8,894	-6,241	18.2%	-12.8%
Personnel costs	56,089	33.0%	43,511	34.2%	12,579	-724	28.9%	-1.7%
Contract costs	6,451	3.8%	n.a.	n.a.	6,451	6,451	n.a.	n.a.
Other operating costs	1,382	0.8%	1,316	1.0%	66	0	5.0%	0.0%
<b>EBITDA</b>	<b>44,125</b>	<b>26.0%</b>	<b>29,511</b>	<b>23.2%</b>	<b>14,614</b>	<b>997</b>	<b>49.5%</b>	<b>3.4%</b>
Depreciation, amortisation, provisions and impairment	10,987	6.5%	8,883	7.0%	2,104	0	23.7%	0.0%
<b>Operating profit</b>	<b>33,138</b>	<b>19.5%</b>	<b>20,628</b>	<b>16.2%</b>	<b>12,510</b>	<b>997</b>	<b>60.6%</b>	<b>4.8%</b>
Financial income	92	0.1%	926	0.7%	-834	0	-90.1%	0.0%
Financial charges	1,663	1.0%	1,409	1.1%	255	161	18.1%	11.4%
Result of equity-accounted investments	30	0.0%	2	0.0%	28	0	1144.4%	0.0%
<b>Profit before tax</b>	<b>31,597</b>	<b>18.6%</b>	<b>20,148</b>	<b>15.9%</b>	<b>11,449</b>	<b>837</b>	<b>56.8%</b>	<b>4.1%</b>
Income taxes	9,577	5.6%	5,194	4.1%	4,384	250	84.4%	4.8%
<b>Net profit</b>	<b>22,020</b>	<b>13.0%</b>	<b>14,954</b>	<b>11.8%</b>	<b>7,066</b>	<b>587</b>	<b>47.2%</b>	<b>3.9%</b>

**Revenues** rose from € 127,097 thousand in the first nine months of 2017 to € 169,742 thousand in the first nine months of 2018, an increase of 33.6%, equal to € 42,646 thousand (of which € 868 thousand or 0.7% due to adoption of IFRS 15 from 1 January 2018). The increase in revenues attributable to the change in perimeter was 31.6%, while the remaining 1.2% is due to organic growth.

**Operating costs** rose from € 97,585 thousand in the first nine months of 2017 to € 125,617 thousand in the first nine months of 2018, an increase of 28.7%, equal to € 28,032 thousand (of which € -129 thousand or -0.1% due to adoption of IFRS 15 from 1 January 2018). The increase in operating costs attributable to the change in perimeter was 23.7%, while the remaining 5.2% is due to organic growth. The item *Contract costs*, introduced following application of IFRS 15, includes the periodic release of the period's share of the incremental cost assets capitalised for obtaining or fulfilling contracts with customers.

The **EBITDA margin**, namely the percent ratio of EBITDA to Revenues, rose from 23.2% in the first nine months of 2017 to 26.0% in the first nine months of 2018. This improvement was due to the business mix, to careful cost control and to the effects of adoption of the new IFRS 15 standard, introduced starting from 2018.

The item **Depreciation, amortisation, provisions and impairment**, for € 10,987 thousand (€ 8,883 thousand in the first nine months of 2017) includes € 2,976 thousand in amortisation of intangible assets arising upon allocation of the excess cost paid in business combinations, mainly relating to Innolva, Visura and Co.Mark.

The balance of **Financial income and charges** in the first nine months of 2018 is negative for € 1,571 thousand (€ 482 thousand in the first nine months of 2017). Financial charges of € 1,663 thousand predominantly comprise interest expense on bank loans for € 885 thousand and interest to the majority shareholder Tecno Holding S.p.A. for € 374 thousand; the increase in Financial charges is impacted by the adoption from 1 January 2018 of IFRS 9, which involved recognition of higher charges for € 161 thousand. It is worthwhile

noting the recognition in the first nine months of 2017 of the income earned in acquiring control of Sixtma for € 747 thousand, resulting in the significant variation compared to the first nine months of 2018.

Estimated **Income taxes**, calculated based on the tax rates envisaged for the year by the current tax laws, amount to € 9,577 thousand. The tax rate is 30.3%.

## Results by business segment

The results of the business segments are measured through the analysis of performance of Revenues and EBITDA. In particular, management believes that EBITDA provides a good indication of performance as it is not influenced by tax regulations and amortisation policies.

The growth trends by segment are shown in the table below, which illustrates the Revenue and EBITDA, compared to the prior year:

Summary Income Statement by business segment (in thousands of Euro)	30/9/2018	EBITDA % 30/9/2018	30/9/2017	EBITDA % 30/9/2017	Change	of which change IFRS 2018	Change %			
							Total	IFRS 2018	Organic	Perimeter
<b>Revenues</b>										
Digital Trust	68,247		56,569		11,678	868	20.6%	1.5%	10.2%	8.9%
Credit Information & Management	53,501		57,842		-4,341	0	-7.5%	0.0%	-8.6%	1.1%
Innovation & Marketing Services	47,994		12,685		35,310	0	278.4%	0.0%	5.9%	272.4%
Other segments (Parent Company)	0		1		-1	0	-60.1%	0.0%	-60.1%	0.0%
<b>Total Revenues</b>	<b>169,742</b>		<b>127,097</b>		<b>42,646</b>	<b>868</b>	<b>33.6%</b>	<b>0.7%</b>	<b>1.2%</b>	<b>31.6%</b>
<b>EBITDA</b>										
Digital Trust	18,015	26.4%	13,290	23.5%	4,724	1,118	35.5%	8.4%	21.2%	5.9%
Credit Information & Management	10,690	20.0%	15,538	26.9%	-4,848	0	-31.2%	0.0%	-33.1%	1.9%
Innovation & Marketing Services	20,678	43.1%	4,742	37.4%	15,936	-120	336.1%	-2.5%	1.0%	337.6%
Other segments (Parent Company)	-5,258	n.a.	-4,059	n.a.	-1,199	0	-29.5%	0.0%	-29.5%	0.0%
<b>Total EBITDA</b>	<b>44,125</b>	<b>26.0%</b>	<b>29,511</b>	<b>23.2%</b>	<b>14,614</b>	<b>997</b>	<b>49.5%</b>	<b>3.4%</b>	<b>-11.8%</b>	<b>58.0%</b>

The following table shows the economic results by business segments, net of non-recurring items:

Summary Income Statement by business segment net of non-recurring items (in thousands of Euro)	30/9/2018	EBITDA % 30/9/2018	30/9/2017	EBITDA % 30/9/2017	Change	of which change IFRS 2018	Change %			
							Total	IFRS 2018	Organic	Perimeter
<b>Revenues</b>										
Digital Trust	68,068		56,569		11,498	868	20.3%	1.5%	9.9%	8.9%
Credit Information & Management	53,501		51,613		1,888	0	3.7%	0.0%	2.5%	1.2%
Innovation & Marketing Services	47,994		12,685		35,310	0	278.4%	0.0%	5.9%	272.4%
Other segments (Parent Company)	0		1		-1	0	-60.1%	0.0%	-60.1%	0.0%
<b>Total Revenues</b>	<b>169,563</b>		<b>120,868</b>		<b>48,695</b>	<b>868</b>	<b>40.3%</b>	<b>0.7%</b>	<b>6.3%</b>	<b>33.3%</b>
<b>EBITDA</b>										
Digital Trust	17,878	26.3%	13,290	23.5%	4,588	1,118	34.5%	8.4%	20.2%	5.9%
Credit Information & Management	11,138	20.8%	10,251	19.9%	887	0	8.7%	0.0%	5.5%	3.1%
Innovation & Marketing Services	20,678	43.1%	4,742	37.4%	15,936	-120	336.1%	-2.5%	1.0%	337.6%
Other segments (Parent Company)	-4,949	n.a.	-3,237	n.a.	-1,712	0	-52.9%	0.0%	-52.9%	0.0%
<b>Total EBITDA</b>	<b>44,745</b>	<b>26.4%</b>	<b>25,046</b>	<b>20.7%</b>	<b>19,699</b>	<b>997</b>	<b>78.7%</b>	<b>4.0%</b>	<b>6.3%</b>	<b>68.4%</b>

Comments on the results of the individual business segments, net of non-recurring items, are provided below.

### **Digital Trust**

Revenues from the Digital Trust segment amounted to € 68,068 thousand. The increase over the first nine months of 2017 amounts to 20.3%, or € 11,498 thousand in absolute terms, consisting of 9.9% due to organic growth and 8.9% due to growth by acquisitions. The change in perimeter is due to the line-by-line consolidation of Sixtema from 1 April 2017, and of Camerfirma and Camerfirma Perù from 1 May 2018. Application of the new IFRS 15 from 1 January 2018 had a 1.5% impact.

EBITDA for the segment was € 17,878 thousand as at 30 September 2018. The increase over the EBITDA for the same period of the prior year was 34.5%. Organic growth amounted to 20.2%, while the contribution of Sixtema, Camerfirma and Camerfirma Perù, due to the aforementioned growth in perimeter, was 5.9%. Adoption of IFRS 15 from 1 January 2018 involved an 8.4% variation compared to the first nine months of 2017. In percentage terms, the EBITDA margin (impact of EBITDA on Revenues) was 26.3%, up compared to the first nine months of 2017 (23.5%), partly due to adoption of IFRS 15.

The first 9 months of 2018 confirm the highly positive trend of the Digital Trust segment, with double-digit growth rates. The recent international acquisitions open up very interesting growth prospects for the Group.

### **Credit Information & Management**

Revenues in the Credit Information & Management segment amounted to € 53,501 thousand. Compared to the first nine months of 2017, it increased by 3.7%, with organic growth of 2.5% and a variation in perimeter of 1.2%, following the consolidation of Comas and Webber from 1 July 2018 and deconsolidation of Creditreform Assicom Ticino from June 2018.

EBITDA increased by 8.7% compared to the same period of the prior year, amounting to € 11,138 thousand; the change in perimeter was 3.1% and organic growth amounted to 5.5%. The EBITDA margin was 20.8%, compared to 19.9% in the first nine months of 2017. In the Credit Information & Management sector, Assicom Ribes S.p.A. changed its name to become Innolva S.p.A. in early 2018. Furthermore, the company Innolva finalised the acquisition of Comas and Webber, two companies active in the sale of business and real estate information through the internet. The strategy is aimed at strengthening the positioning on the web and increasing Innolva's market share.

Despite an extremely competitive market, the Credit Information & Management segment contributed to the Group's results with positive figures in terms of both turnover and EBITDA.

### **Innovation & Marketing Services**

Revenues for the segment amounted to € 47,994 thousand in the first nine months of 2018, an increase over the same period of the prior year of € 35,310 thousand (+278.4%). EBITDA amounted to € 20,678 thousand, up compared to the first nine months of 2017 by € 15,936 thousand (+336.1%).

On a like-for-like basis with respect to the first nine months of 2017 (only Co.Mark and its Spanish subsidiary Co.Mark TES), thereby excluding the contribution of Warrant Hub and its subsidiaries, consolidated on 1 December 2017, revenues rose 5.9% and EBITDA by 1.0%, mainly due to the higher number of consulting contracts signed as a result of the "Voucher for Internationalisation" grants disbursed by the Ministry of Economic Development.

Warrant Hub and its subsidiaries, acquired in December 2017, contributed to the results of the segment with revenues of € 34,582 thousand and EBITDA of € 16,009 thousand. The EBITDA margin for the period



amounted to 46.3%. Performance of Warrant Hub and its subsidiaries confirms the positive trends already recorded in prior periods.

## GROUP BALANCE SHEET AND FINANCIAL POSITION

The Group's balance sheet at 30 September 2018 compared with 31 December 2017 is reported as follows:

<i>In thousands of Euro</i>	30/9/2018	% of Net invested capital/Total sources	31/12/2017	% of Net invested capital/Total sources	Change	Change %
Intangible assets and goodwill	260,734	107.2%	252,693	101.9%	8,040	3.2%
Property, plant and equipment	9,117	3.7%	8,287	3.3%	830	10.0%
Other net non-current assets and liabilities	-20,587	-8.5%	-16,758	-6.8%	-3,828	22.8%
<b>Net non-current assets</b>	<b>249,263</b>	<b>102.5%</b>	<b>244,221</b>	<b>98.5%</b>	<b>5,042</b>	<b>2.1%</b>
Inventories	1,047	0.4%	2,072	0.8%	-1,025	-49.5%
Contract cost assets	5,664	2.3%	n.a.	n.a.	5,664	n.a.
Trade and other receivables*	66,638	27.4%	80,543	32.5%	-13,905	-17.3%
Contract assets	7,268	3.0%	n.a.	n.a.	7,268	n.a.
Current tax assets	825	0.3%	1,990	0.8%	-1,165	-58.5%
Assets held for sale	199	0.1%	199	0.1%	0	0.0%
Trade and other payables	-46,242	-19.0%	-47,725	-19.3%	1,483	-3.1%
Contract liabilities and deferred income	-37,591	-15.5%	-26,593	-10.7%	-10,998	41.4%
Current employee benefits	-465	-0.2%	-360	-0.1%	-105	29.3%
Current tax liabilities	-3,205	-1.3%	-6,125	-2.5%	2,921	-47.7%
Current provisions for risks and charges	-204	-0.1%	-342	-0.1%	138	-40.4%
<b>Net working capital</b>	<b>-6,066</b>	<b>-2.5%</b>	<b>3,659</b>	<b>1.5%</b>	<b>-9,725</b>	<b>-265.8%</b>
<b>Total loans - Net invested capital</b>	<b>243,197</b>	<b>100.0%</b>	<b>247,880</b>	<b>100.0%</b>	<b>-4,683</b>	<b>-1.9%</b>
Shareholders' equity	139,102	57.2%	143,317	57.8%	-4,215	-2.9%
Net financial indebtedness	104,095	42.8%	104,563	42.2%	-468	-0.4%
<b>Total sources</b>	<b>243,197</b>	<b>100.0%</b>	<b>247,880</b>	<b>100.0%</b>	<b>-4,683</b>	<b>-1.9%</b>

\* The item Trade and other receivables includes non-current receivables from customers

The following is the breakdown of *Other net non-current assets and liabilities*:

<i>In thousands of Euro</i>	30/9/2018	31/12/2017	Change	Change %
Equity-accounted investments	185	25	160	652.3%
Other investments	30	49	-19	-38.8%
Other financial assets except for derivative fin. instruments	1,156	543	613	112.9%
Derivative financial instruments	34	40	-6	-15.8%
Deferred tax assets	6,921	5,556	1,365	24.6%
Other receivables	854	385	470	122.0%
<b>Non-current assets</b>	<b>9,180</b>	<b>6,598</b>	<b>2,582</b>	<b>39.1%</b>
Provisions	-1,589	-1,598	9	-0.6%
Deferred tax liabilities	-9,124	-9,345	221	-2.4%
Employee benefits	-12,303	-10,977	-1,326	12.1%
Contract liabilities and deferred income	-6,751	-1,437	-5,314	369.9%
<b>Non-current liabilities</b>	<b>-29,767</b>	<b>-23,356</b>	<b>-6,411</b>	<b>27.4%</b>
<b>Other net non-current assets and liabilities</b>	<b>-20,587</b>	<b>-16,758</b>	<b>-3,828</b>	<b>22.8%</b>

*Shareholders' equity* decreased by € 4,215 thousand. The change was due to:

- comprehensive income for the period, equal to € 22,027 thousand;
- dividends resolved by the Group for € 12,067 thousand;
- negative adjustment of Put options on minority interests (€ 10,177 thousand) due to the revision of payments envisaged based on the expected results of the companies involved;
- the adoption of IFRS 15, which led to the recognition, at 1 January 2018, of lower equity reserves for € 8,342 thousand;
- the increase in minority interests due to line-by-line consolidation of Camerfirma (€ 3,000 thousand);
- the share capital increase contribution of € 1,078 thousand by Cedacri for the exercising of Warrants (as described in note 10 of the *Key events of the period*).

*Net working capital* decreased from € 3,659 thousand at 31 December 2017 to € -6,066 thousand at 30 September 2018. The decrease is mainly due to the effect of adoption of IFRS 15, without therefore any impact on liquidity, which involved, at 1 January 2018, recognition of *Current contract liabilities* for € 9.3 million. Application of said standard required recognition of the following items in the financial statements:

- *Contract cost assets*: these include capitalised incremental costs to obtain contracts with customers and capitalised costs incurred to carry out contracts with customers that do not fall under the scope of application of other principles;
- *Contract assets*: these represent the Group's right to obtain consideration for goods or services transferred to the customer when the right is subject to something other than the passing of time. These assets are stated separately from *Trade receivables*, which solely include rights not impacted by the consideration;
- *Contract liabilities*: these represent the Group's obligation to transfer to the customer goods or services for which the Group has received consideration from the customer or for which consideration is due.

*Net non-current assets* at 30 September 2018 amounted to € 249,263 thousand and are essentially in line (+2.1%) with 31 December 2017 (€ 244,221 thousand). The slight increase is attributable to goodwill recognised on a provisional basis upon acquisition of the companies Comas and Webber (€ 7,475 thousand).

## Group Net Financial Position

The table below provides details of the Group's Net financial indebtedness at 30 September 2018 compared with the same position at 31 December 2017:

In thousands of Euro				
	30/9/2018	31/12/2017	Change	%
A Cash	33,300	36,953	-3,653	-9.9%
B Cash equivalents	22	34	-12	-34.7%
<b>D Liquid assets (A+B)</b>	<b>33,322</b>	<b>36,987</b>	<b>-3,665</b>	<b>-9.9%</b>
E Current financial receivables	3,912	4,311	-399	-9.3%
F Current bank debt	-1,857	-1,297	-559	43.1%
G Current portion of non-current debt	-7,242	-7,355	113	-1.5%
H Other current financial debt	-71,257	-13,071	-58,186	445.2%
<b>I Current financial debt (F+G+H)</b>	<b>-80,356</b>	<b>-21,723</b>	<b>-58,633</b>	<b>269.9%</b>
<b>J Net current financial indebtedness (D+E+I)</b>	<b>-43,122</b>	<b>19,574</b>	<b>-62,696</b>	<b>-320.3%</b>
K Non-current bank debt	-38,351	-43,058	4,707	-10.9%
L Other non-current financial debt	-22,622	-81,079	58,458	-72.1%
<b>M Non-current financial debt (K+L)</b>	<b>-60,972</b>	<b>-124,137</b>	<b>63,164</b>	<b>-50.9%</b>
<b>N Net financial position (indebtedness) (J+M) (*)</b>	<b>-104,095</b>	<b>-104,563</b>	<b>468</b>	<b>-0.4%</b>
O Other non-current financial assets	1,190	584	607	104.0%
<b>P Total net financial position (indebtedness) (N+O)</b>	<b>-102,904</b>	<b>-103,979</b>	<b>1,075</b>	<b>-1.0%</b>

(\*) Net financial indebtedness computed in accordance with the provisions of Consob Communication no. 6064293 of 28 July 2006 and consistent with the ESMA/2013/319 Recommendation

Net financial indebtedness of € 104,095 thousand is essentially unchanged compared to 31 December 2017 (€ 104,563 thousand). Net financial indebtedness at 30 September 2018 includes: € 54,452 thousand in liabilities linked to the purchase of minority interests for Put options, € 929 thousand in liabilities for contingent consideration linked to the acquisitions and € 10,042 thousand in liabilities for price deferments granted by sellers.

The change in the item *Other current financial debt* almost entirely offset by a similar change of opposite sign of the item *Other non-current financial debt* is attributable to the reclassification from "non-current" to "current" of the Put options expiring in the first half of 2019, in addition to the debt of € 25 million to majority shareholder Tecno Holding S.p.A.

The main factors impacting the change in Net financial indebtedness are summarised below.

<b>Net financial indebtedness at 31/12/2017</b>	<b>104,563</b>
Free Cash Flow	-29,617
Dividends resolved	12,067
Adjustment for Put options	10,177
Business combinations	6,803
Net financial (income) charges	1,571
Share capital increase contribution	-1,078
IFRS 9 adjustment	-682
Acquisitions of minority interests	256
Other residual	35
<b>Net financial indebtedness at 30/09/2018</b>	<b>104,095</b>

- The *Free Cash Flow* generated during the period amounted to € 29,617 thousand, of which € 39,676 thousand in Net cash and cash equivalents generated by operations net of € 10,059 thousand absorbed by investments in property, plant and equipment and intangible assets.
- *Dividends resolved* and distributed for € 12,067 thousand, of which € 5,547 thousand from Group companies to minority interests and € 6,520 from Tinexta S.p.A.
- *Adjustment for Put options* for € 10,177 thousand, due to the revision of payments envisaged based on the expected results of the companies involved.
- *Business combinations* for € 6,803 thousand, following the acquisitions of Camerfirma, Comas and Webber.
- *Share capital increase contribution* for € 1,078 thousand relative to exercising of the second tranche by Cedacri for the exercising of Warrants (as described in note 10 of the *Key events of the period*).
- The *IFRS 9 Adjustment* at 1 January 2018 resulted in a reduction in bank debt of € 682 thousand, to account for the change in cash flows following the refinancing that took place in 2017 (pursuant to Note 28 of the 2017 Consolidated Financial Statements), to be immediately recognised in profit/(loss) for the year in accordance with IFRS 9.

## KEY EVENTS SUBSEQUENT TO 30 SEPTEMBER 2018

On **12 October 2018**, Tinexta S.p.A. increased its Share Capital to € 46,890,120, divided into 46,890,120 ordinary shares with no nominal value. This increase stems from the request by Cedacri, shareholder of the company, to exercise the second tranche of its Warrants after payment, in September 2018, of the total amount of € 1,078 thousand, corresponding to 317,000 new ordinary shares of Tinexta S.p.A.

On **16 October 2018** the decision-making bodies of Visura S.p.A. - subsidiary of Tinexta S.p.A. - and its subsidiaries Lextel S.p.A. and ISI Sviluppo Informatico S.r.l. approved the projects for the merger by incorporation of the two companies into Visura S.p.A. This transaction is part of the process to simplify the corporate structure of the Tinexta Group. The merger will be completed within 2018 and shall take place in simplified form, pursuant to and in accordance with art. 2505 of the Italian Civil Code and, in particular, without the exchange of shares and without increasing the capital of the incorporating party.

On **30 October 2018** Tinexta, through its subsidiary Innolva S.p.A., completed the acquisition of 100% of Promozioniservizi S.r.l., a company specialised in consulting for financial institutions for access to the SME guarantee fund of Mediocredito Centrale. Through this acquisition, Innolva consolidates its positioning on the banking and financial market, expands the services offered and strengthens the relationship with its bank customers. The total agreed consideration was € 4,494 thousand, of which € 3,706 thousand paid on closing and € 788 thousand in 6 annual instalments, the last of which in 2025.

On **6 November 2018**, the Shareholders' Meeting of Warrant Group S.r.l. approved the change of the company name to Warrant Hub and the legal form to S.p.A.

On **7 November 2018**, the extraordinary shareholders' meeting approved the proposal to change the company name from Tecnoinvestimenti to Tinexta S.p.A. The change became effective on **8 November 2018** following the registration in the Rome Corporate Registry. During the ordinary portion, the shareholders approved the proposal by the Board of Directors to authorise the purchase and disposal of Own Shares. The

request for authorisation to purchase and dispose of Own Shares is aimed at providing the Company with an instrument used in listed companies to seize investment opportunities for all purposes permitted by the current regulations, with regard to the purchase of Own Shares to support the liquidity of the security and for the establishment of a so-called "securities inventory", without prejudice to the provisions of EU Regulation No. 596/2014 and relative implementing provisions, where applicable. Note that the request for authorisation to purchase Own Shares is not aimed at reducing share capital through annulment of the Own Shares acquired. The maximum outlay for the transaction is set at € 35 million, an amount which is less than the profits distributed and available reserves. Authorisation to purchase the Own Shares has been requested for the maximum duration envisaged by art. 2357, paragraph 2 of the Italian Civil Code, namely 18 (eighteen) months from the date of approval of the resolution by the shareholders' meeting.

On **14 November 2018** the Board of Directors of Tinexta S.p.A. appointed Riccardo Ranalli as Vice Chairman, entrusting him with the relative powers.

## OUTLOOK

Tinexta S.p.A. confirms its strategy, focused on a process to integrate Group companies, with the medium-term objective of maximising opportunities through synergistic development across all sales channels. Tinexta confirms the central nature of its external growth policy, which remains a central element of its strategy.

The solid results achieved in the first nine months permit the increase of the growth targets of the year, with Revenues forecast to reach circa € 230 million (versus the former target of € 215 million) and an EBITDA which will exceed € 57 million (versus the former target of "a more than proportional growth" with respect to the forecast growth of +20% for Revenues).

## INTERIM REPORT PREPARATION CRITERIA

The Group's Interim Report on Operations at 30 September 2018 was prepared in accordance with Art. 154-ter, paragraph 5 of the Consolidated Finance Act, introduced by Italian Legislative Decree 195/2007, in implementation of Directive 2004/109/EC. The Interim Report on Operations was approved by the Board of Directors of Tinexta on 14 November 2018, and its disclosure was authorised by the same body on said date.

The Group's Interim Report on Operations at 30 September 2018 was not audited.

The Interim Report on Operations is prepared on the basis of the recognition and measurement criteria set forth in the International Financial Reporting Standards (IFRS) adopted by the European Union. The accounting standards adopted for the preparation of this Interim Report on Operations are the same as those adopted for the drafting of the Group's annual Consolidated Financial Statements for the year ended 31 December 2017, except for the new standards applied from 1 January 2018, namely IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments", involving changes to the accounting policies and in some cases adjustments to the amounts recognised in the financial statements.

### IFRS 15

On 28 May 2014, the IASB published IFRS 15 - "Revenue from Contracts with Customers", endorsed by the EU on 29 October 2016 with Regulation no. 1905, and "Clarifications to IFRS 15 Revenue from Contracts with Customers", endorsed by the EU on 9 November 2017 with Regulation no. 291. IFRS 15 defines the criteria for recognition and measurement of revenues from contracts with customers. In brief, the standard requires the analysis of the following 5 steps for revenue recognition: (i) identification of the contract; (ii) identification of the performance obligations contained in the contract; (iii) determination of the transaction price; (iv) allocation of the price envisaged by the contract to the performance obligations; (v) recognition of revenues.

The Group opted for retrospective application of IFRS 15, accounting for the cumulative effect of the initial application at 1 January 2018 with reference only to contracts that had not been completed at the date of initial application.

In the Digital Trust Business Unit a total of € 8.6 million in lower equity reserves was recorded at 1 January 2018, due to:

- recognition over time of services, measured at point in time in accordance with IAS 18, in relation to the model based on the transfer of risks and rewards and the correlation with costs incurred (€ 7.4 million in lower reserves);
- recognition over time, throughout the expected term of the contract, of the initial consideration (and correlated costs) charged to the customer and which may not be reimbursed relating to some solutions that provide the possibility for customers to access an ad-hoc platform from which they can take advantage of a series of services within a period of time, previously recognised in correlation with the costs incurred to provide access to the platform (€ 1.5 million in lower reserves);
- early recognition of unrecognised rights (breakage) in the presence of services that require advance payment (€ 0.3 million in greater reserves).

In the Innovation & Marketing Services Business Unit an increase of € 0.2 million in Shareholders' equity reserves was recognised as at 1 January 2018, due to the different trend in the amortisation, pursuant to IFRS 15, of contractual costs linked to obtaining contracts.

In the Credit Information & Management Business Unit no significant effects were recorded on Shareholders' equity as at 1 January 2018.

## **IFRS 9**

On 24 July 2014, the IASB published the final version of IFRS 9 "Financial Instruments". Starting from 1 January 2018, IFRS 9 "Financial Instruments" replaced IAS 39 "Financial Instruments: Recognition and Measurement", identifying a new set of accounting rules applicable to the classification and measurement of Financial Instruments, to the impairment of loans and to hedge accounting. Moreover, among other things, IFRS 9 envisages that in the event that a change or exchange of financial liability does not involve an accounting elimination, any effects arising from recalculation of the value of the new liability using the modified cash flows and the original effective interest rate must be recognised immediately in the profit for the period, contrary to what was envisaged by IAS 39, according to which the new financial liability was accounted for in the future. On the other hand, the costs and commissions sustained for the change continue to be recognised as a direct adjustment to the book value of the amended financial liability and amortised at the effective interest rate throughout the life of the instrument.

Adjustment to IFRS 9 at 1 January 2018 involved recognition of greater reserves of Shareholders' equity for € 0.5 million, to account for the effects of changes in cash flows relative to refinancing during 2017, recognised prospectively in accordance with IAS 39, for which IFRS 9 requires immediate recognition in the income statement.

## SCOPE OF CONSOLIDATION

The list of companies consolidated on a line-by-line basis or with the equity method at 30 September 2018 is shown in the following table.

Company	Registered office	at 30 September 2018					
		Share capital		% ownership	via	% contribution to the Group	Consolidation method
		Amount	Currency				
		(in thousands of Euro)					
Tinexta S.p.A. <sup>7</sup> (Parent Company)	Rome	46,573	Euro	n.a.	n.a.	n.a.	n.a.
InfoCert S.p.A.	Rome	17,705	Euro	99.99%	-	99.99%	Line-by-line
Innolva <sup>8</sup> S.p.A.	Buja (UD)	3,000	Euro	100.00%	-	100.00%	Line-by-line
Re Valuta S.p.A.	Milan	200	Euro	83.13%	-	95.00%	Line-by-line
Co.Mark S.p.A.	Bergamo	150	Euro	90.00%	-	100.00%	Line-by-line
Visura S.p.A.	Rome	1,000	Euro	60.00%	-	100.00%	Line-by-line
Warrant Hub S.p.A. <sup>9</sup>	Correggio (RE)	58	Euro	70.00%	-	100.00%	Line-by-line
Sixtema S.p.A.	Rome	6,180	Euro	80.00%	InfoCert S.p.A.	99.99%	Line-by-line
AC Camerfirma S.A.	Spain	3,421	Euro	51.00%	InfoCert S.p.A.	50.99%	Line-by-line
Comas S.r.l.	Arezzo	100	Euro	100.00%	Innolva S.p.A.	100.00%	Line-by-line
Webber S.r.l.	Arezzo	10	Euro	100.00%	Innolva S.p.A.	100.00%	Line-by-line
Co.Mark TES S.L.	Spain	36	Euro	99.00%	CoMark S.p.A.	99.00%	Line-by-line
Lextel S.p.A.	Rome	2,500	Euro	100.00%	Visura S.p.A.	100.00%	Line-by-line
Isi Sviluppo Informatico S.r.l.	Parma	31	Euro	100.00%	Visura S.p.A.	100.00%	Line-by-line
Warrant Innovation Lab Scarl	Correggio (RE)	25	Euro	96.43%	Warrant Hub S.p.A.	96.43%	Line-by-line
Warrant Service S.r.l.	Correggio (RE)	40	Euro	50.00%	Warrant Hub S.p.A.	50.00%	Line-by-line
Bewarrant S.r.l.	Belgium	12	Euro	100.00%	Warrant Hub S.p.A.	100.00%	Line-by-line
Camerfirma Perú S.A.C.	Peru	1	PEN	99.80%	AC Camerfirma S.A.	50.89%	Line-by-line
Etuitus S.r.l.	Salerno	50	Euro	24.00%	InfoCert S.p.A.	24.00%	Shareholders' equity
Creditreform Assicom Ticino SA	Switzerland	100	CHF	30.00%	Innolva S.p.A.	30.00%	Shareholders' equity
Innovazione 2 Sagl	Switzerland	20	CHF	30.00%	Warrant Hub S.p.A.	30.00%	Shareholders' equity

The percentage of ownership indicated in the table refers to the actual shares held by the Group at the reporting date. The percentage of contribution refers to the contribution to the Group's Shareholders' equity by the individual company as a result of recognition of the additional equity investment in the consolidated company as a result of the recognition of the Put options granted to the minority shareholders on the portions in their possession.

14 November 2018

Pier Andrea Chevallard

<sup>7</sup> On 7 November 2018, the Extraordinary Shareholders' Meeting approved the proposal to change the company name from Tecnoinvestimenti to Tinexta S.p.A. The change became effective on 8 November 2018 following the registration in the Rome Corporate Registry.

<sup>8</sup> On 26 April 2018, Assicom Ribes changed its name to Innolva S.p.A.

<sup>9</sup> On 6 November 2018, the Shareholders' Meeting of Warrant Group S.r.l. approved the change of the company name to Warrant Hub and the legal form to S.p.A.





## **CONSOLIDATED FINANCIAL STATEMENTS**

**30 September 2018**

## Consolidated Statement of Financial Position

<i>In thousands of Euro</i>	30/9/2018	31/12/2017
<b>ASSETS</b>		
Property, plant and equipment	9,117	8,287
Intangible assets and goodwill	260,734	252,693
Equity-accounted investments	185	25
Other investments	30	49
Other financial assets, excluding derivative financial instruments	1,156	543
<i>- of which vs Related parties</i>	8	0
Derivative financial instruments	34	40
Deferred tax assets	6,921	5,556
Trade and other receivables	1,101	643
Contract cost assets	4,315	n.a.
<b>NON-CURRENT ASSETS</b>	<b>283,592</b>	<b>267,836</b>
Inventories	1,047	2,072
Other financial assets, excluding derivative financial instruments	3,912	4,311
Current tax assets	825	1,990
<i>- of which vs Related parties</i>	0	1,167
Trade and other receivables	66,392	80,285
<i>- of which vs Related parties</i>	373	563
Contract assets	7,268	n.a.
Contract cost assets	1,349	n.a.
Cash and cash equivalents	33,322	36,987
Assets held for sale	199	199
<b>CURRENT ASSETS</b>	<b>114,313</b>	<b>125,843</b>
<b>TOTAL ASSETS</b>	<b>397,905</b>	<b>393,679</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	46,573	46,573
Reserves	89,004	96,207
<i>Shareholders' equity attributable to the Group</i>	<i>135,577</i>	<i>142,780</i>
<i>Minority interests</i>	<i>3,525</i>	<i>537</i>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>139,102</b>	<b>143,317</b>
<b>LIABILITIES</b>		
Provisions	1,589	1,598
Employee benefits	12,303	10,977
Financial liabilities, excluding derivative financial instruments	60,764	123,935
<i>- of which vs Related parties</i>	0	25,000
Derivative financial instruments	209	202
Deferred tax liabilities	9,124	9,345
Contract liabilities	6,751	n.a.
Deferred revenue and income	n.a.	1,437
<b>NON-CURRENT LIABILITIES</b>	<b>90,740</b>	<b>147,493</b>
Provisions	204	342
Employee benefits	465	360
Financial liabilities, excluding derivative financial instruments	80,352	21,723
<i>- of which vs Related parties</i>	<i>25,126</i>	<i>252</i>
Derivative financial instruments	3	0
Trade and other payables	46,242	47,725
<i>- of which vs Related parties</i>	<i>211</i>	<i>242</i>
Contract liabilities	36,769	n.a.
Deferred income	821	n.a.
Deferred revenue and income	n.a.	26,593
Current tax liabilities	3,205	6,125
<i>- of which vs Related parties</i>	0	2,395
<b>CURRENT LIABILITIES</b>	<b>168,062</b>	<b>102,869</b>
<b>TOTAL LIABILITIES</b>	<b>258,803</b>	<b>250,362</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>397,905</b>	<b>393,679</b>

## Consolidated Statement of Profit or Loss and other comprehensive income

<i>In thousands of Euro</i>	<i>Nine-month period closed at 30 September</i>	
	2018	2017 <sup>10</sup>
<b>Revenues</b>	<b>169,742</b>	<b>127,097</b>
- of which vs Related parties	1,617	167
- of which non-recurring	179	6,228
Costs of raw materials	4,008	3,966
Service costs	57,686	48,793
- of which vs Related parties	1,219	1,257
- of which non-recurring	583	1,337
Personnel costs	56,089	43,511
- of which non-recurring	216	380
Contract costs	6,451	0
Other operating costs	1,382	1,316
- of which vs Related parties	9	18
- of which non-recurring	0	46
Amortisation and depreciation	9,510	7,925
Provisions	-82	0
Impairment	1,559	958
<b>Total Costs</b>	<b>136,604</b>	<b>106,468</b>
<b>OPERATING PROFIT</b>	<b>33,138</b>	<b>20,628</b>
Financial income	92	926
- of which non-recurring	0	747
Financial charges	1,663	1,409
- of which vs Related parties	374	374
<b>Net financial income (charges)</b>	<b>-1,571</b>	<b>-482</b>
Share of profit of equity-accounted investments, net of tax	30	2
<b>PROFIT BEFORE TAX</b>	<b>31,597</b>	<b>20,148</b>
Income taxes	9,577	5,194
- of which non-recurring	-148	501
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>	<b>22,020</b>	<b>14,954</b>
Profit (loss) from discontinued operations, net of tax	0	0
<b>NET PROFIT</b>	<b>22,020</b>	<b>14,954</b>
<b>Other components of the comprehensive income statement</b>		
<i>Components that will never be reclassified to profit or loss</i>		
<b>Total components that will never be reclassified to profit or loss</b>	<b>0</b>	<b>0</b>
<i>Components that are or may be later reclassified to profit or loss:</i>		
Exchange rate differences from the translation of foreign financial statements	-2	-17
Profits (losses) from measurement at fair value of derivative financial instruments	10	15
Equity-accounted investments - share of OCI	1	0
Tax effect	-2	-4
<b>Total components that are or may be later reclassified to profit (loss)</b>	<b>7</b>	<b>-6</b>
<b>Total other components of comprehensive income, net of tax</b>	<b>7</b>	<b>-6</b>
<b>Total comprehensive income for the period</b>	<b>22,027</b>	<b>14,948</b>
<b>Net profit attributable to:</b>		
Group net profit	21,545	14,914
Net profit of minority interests	475	40
<b>Total comprehensive income for the period attributable to:</b>		
Group	21,552	14,908
Minority interests	475	40
<b>Earnings per share</b>		
Basic earnings per share (Euro)	0.46	0.32
Diluted earnings per share (Euro)	0.46	0.32

<sup>10</sup> The comparative data for the first nine months of 2017 were re-stated in relation to the completion, in the fourth quarter of 2017, of identification of the fair values of the assets and liabilities of Sixteta S.p.A., consolidated on a line-by-line basis from 1 April 2017.

## Consolidated Statement of Changes in Equity

<i>Nine-month period closed at 30 September 2018</i>									
In thousands of Euro	Share capital	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Other reserves	Shareholders' equity attributable to the Group	Minority interests	Consolidated Shareholders' Equity
Balance at 31 December 2017	46,573	1,433	53,917	-154	-395	41,405	142,780	537	143,317
Effect of adoption of IFRS 15						-8,346	-8,346	4	-8,342
Effect of adoption of IFRS 9						519	519		519
Balance at 1 January 2018	46,573	1,433	53,917	-154	-395	33,577	134,952	541	135,493
<i>Comprehensive income for the period</i>									
Profit for the period						21,545	21,545	475	22,020
Other components of the comprehensive income statement				8		-1	7	0	7
<i>Total comprehensive income for the period</i>	0	0	0	8	0	21,544	21,552	475	22,027
<i>Transactions with shareholders</i>									
Dividends						-11,629	-11,629	-437	-12,067
Allocation to legal reserve		598				-598	0		0
Adjustment of put option on minority interests						-10,177	-10,177		-10,177
Acquisitions of minority interests in subsidiaries						-1	-190	-80	-270
Future share capital increase contribution						1,078	1,078		1,078
Acquisitions							0	3,000	3,000
Other changes						-8	-8	26	18
<i>Total transactions with shareholders</i>	0	598	0	0	-1	-21,524	-20,926	2,509	-18,418
Balance at 30 September 2018	46,573	2,031	53,917	-146	-396	33,597	135,578	3,525	139,102

<i>Nine-month period closed at 30 September 2017</i>									
In thousands of Euro	Share capital	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Other reserves	Shareholders' equity attributable to the Group	Minority interests	Consolidated Shareholders' Equity
Balance at 1 January 2017	46,256	1,136	53,156	-173	-343	29,701	129,734	187	129,921
<i>Comprehensive income for the period</i>									
Profit for the period						14,914	14,914	40	14,954
Other components of the comprehensive income statement				11		-17	-6		-6
<i>Total comprehensive income for the period</i>	0	0	0	11	0	14,897	14,908	40	14,948
<i>Transactions with shareholders</i>									
Dividends						-6,949	-6,949	-28	-6,977
Allocation to legal reserve		297				-297	0		0
Adjustment of put option on minority interests						-4,181	-4,181		-4,181
Acquisitions of minority interests in subsidiaries						-210	-210		-210
Future share capital increase contribution						1,078	1,078		1,078
Other changes						-8	-8		-8
<i>Total transactions with shareholders</i>	0	297	0	0	0	-10,566	-10,269	-28	-10,297
Balance at 30 September 2017	46,256	1,433	53,156	-162	-343	34,032	134,372	199	134,572

## Consolidated Statement of Cash Flows

	<i>Nine-month period closed at 30 September</i>	
	<b>2018</b>	<b>2017</b>
<i>Cash flows from operations</i>		
Net profit	22,020	14,954
Adjustments for:		
- Depreciation of property, plant and equipment	2,602	2,044
- Amortisation of intangible assets	6,907	5,882
- Write-downs (Revaluations)	1,559	958
- Provisions	-82	0
- Contract costs	6,451	0
- Net financial charges	1,571	482
<i>- of which vs Related parties</i>	374	374
- Share of profit of equity-accounted investments	-30	-2
- Income taxes	9,577	5,194
Changes in:		
- Inventories	18	78
- Contract cost assets	-8,331	0
- Trade and other receivables and Contract assets	6,453	-3,551
<i>- of which vs Related parties</i>	189	107
- Trade and other payables	-2,877	-2,297
<i>- of which vs Related parties</i>	-31	-13
- Provisions and employee benefits	628	246
- Contract liabilities and deferred income, including public contributions	2,637	1,474
<b>Cash and cash equivalents generated by operations</b>	<b>49,105</b>	<b>25,461</b>
Income taxes paid	-9,429	-1,344
<b>Net cash and cash equivalents generated by operations</b>	<b>39,676</b>	<b>24,117</b>
<i>Cash flows from investments</i>		
Interest collected	59	33
Collections from sale or repayment of financial assets	484	3,423
Investments in property, plant and equipment	-2,790	-1,217
Investments in other financial assets	0	-85
Investments in intangible assets	-7,269	-1,549
Increases in the scope of consolidation, net of liquidity acquired	-6,380	1,124
Decreases in the scope of consolidation, net of liquidity sold	-23	0
<b>Net cash and cash equivalents generated/(absorbed) by investing activities</b>	<b>-15,920</b>	<b>1,727</b>
<i>Cash flows from financing</i>		
Acquisition of minority interests in subsidiaries	-6,566	-41,728
Interest paid	-1,099	-1,276
<i>- of which vs Related parties</i>	-500	-404
MLT bank loans taken out	0	2,196
Repayment of MLT bank loans	-4,473	-2,274
Repayment of price deferment liabilities on acquisitions of equity investments	-1,522	-1,400
Repayment of contingent consideration liabilities	-3,158	-909
Change in other current bank payables	385	-2,307
Change in other current financial payables	151	608
Repayment of finance lease liabilities	-152	-91
Capital increase	1,078	1,078
Capital increases - subsidiaries	2	0
Dividends paid	-12,067	-6,977
<b>Net cash and cash equivalents generated/(absorbed) by financing</b>	<b>-27,421</b>	<b>-53,081</b>
<i>Net increase (decrease) in cash and cash equivalents</i>	<i>-3,665</i>	<i>-27,236</i>
Cash and cash equivalents at 1 January	36,987	60,431
<b>Cash and cash equivalents at 30 September</b>	<b>33,322</b>	<b>33,195</b>

**Declaration of the manager responsible for the preparation of the Company's accounting documents pursuant to the provisions of art. 154-bis, paragraph 2 of Legislative Decree 58/1998 (Consolidated Finance Act)**

The manager responsible for the preparation of the Company's accounting documents hereby declares, pursuant to art. 154-bis, paragraph 2, of the Consolidated Finance Act, that the accounting information in this Interim Report on Operations at 30 September 2018 corresponds to the documentary results, books and accounting records.

Rome, 14 November 2018

Signature

**TINEXTA S.p.A.**  
**Responsabile Amministrazione e**  
**Partecipazioni**  
*Nicola Di Lietta*