



**CONSOLIDATED
INTERIM REPORT AS
AT SEPTEMBER 30, 2019**



doValue

CONSOLIDATED INTERIM REPORT AS AT SEPTEMBER 30, 2019

Registered office: Piazzetta Monte, 1 – 37121 Verona

Share capital €41.280.000.00 fully paid in

Parent Company of the doValue Group

Entered in the Company Register of Verona, Tax ID no. 00390840239 and VAT reg. no. 02659940239

www.doValue.it

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GOVERNING AND CONTROL BODIES

BOARD OF DIRECTORS

Chairman	Giovanni Castellaneta (2) (4)
CEO	Andrea Mangoni
Directors	<p>Francesco Colasanti (6)</p> <p>Emanuela Da Rin</p> <p>Giovanni Battista Dagnino (3) (2)</p> <p>Nunzio Guglielmino (4) (5)</p> <p>Giovanni Lo Storto (1) (6)</p> <p>Giuseppe Ranieri</p> <p>Marella Idi Maria Villa</p>

BOARD OF STATUTORY AUDITORS

Chairman	Chiara Molon (7)
Standing Auditors	<p>Francesco Mariano Bonifacio (8)</p> <p>Nicola Lorito (8)</p>
Alternate Auditors	<p>Sonia Peron</p> <p>Roberta Senni</p>

AUDIT FIRM

EY S.p.A.

Financial Reporting Officer

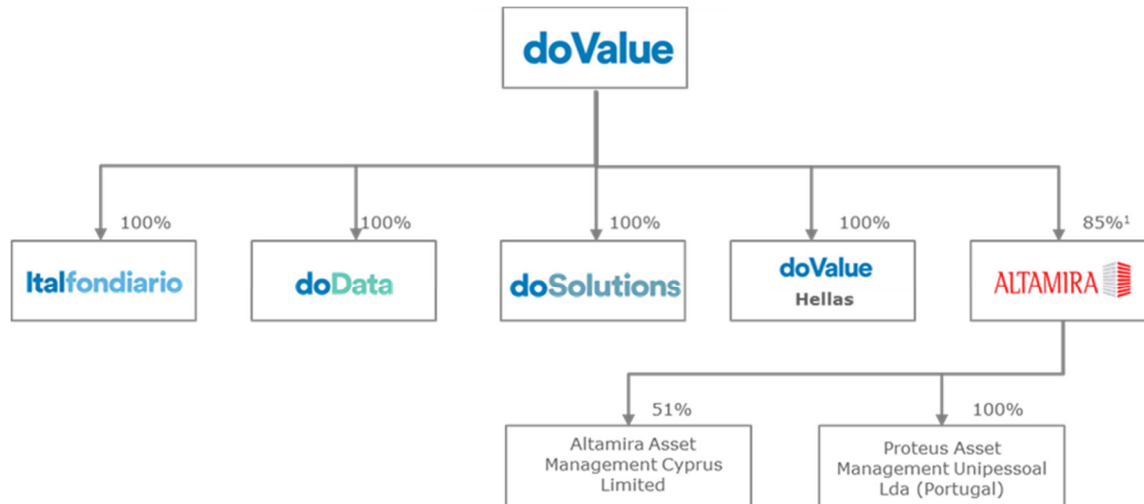
Elena Gottardo

Notes

- (1) Chairman Appointments Committee
- (2) Member Appointments Committee
- (3) Chairman Risk and Operations with Affiliated Persons Committee
- (4) Member Risk and Operations with Affiliated Persons Committee
- (5) Chairman Remuneration Committee
- (6) Member Remuneration Committee
- (7) Chairman Supervisory Committee, pursuant to Legislative Decree 231/2001
- (8) Member Supervisory Committee, pursuant to Legislative Decree 231/2001

GROUP STRUCTURE

The following chart shows the composition of the doValue Group as at September 30, 2019:



1. Altamira also holds 100% of the class "B" shares of Altamira Asset Management Cyprus Limited and 100% of Altamira Asset Management Hellas Single-Member Company

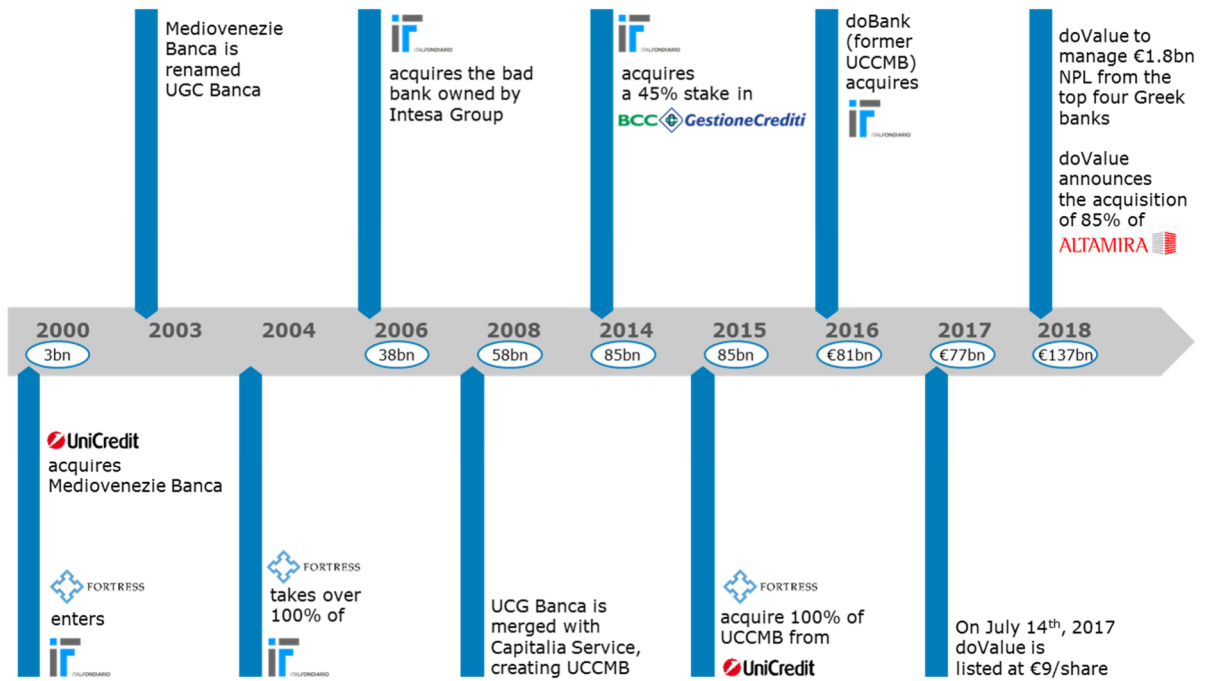
The doValue Group has over 18 years of experience in Southern Europe in providing services for the management of loans and real estate assets on behalf of banks and investors. The current composition of the Group reflects the focus of each company in a business area or geographic market and is consistent with doValue's growth path, which has evolved significantly in the last 24 months both organically and externally.

doValue (formerly doBank) was formed in from the combination of Italy's two largest independent servicers: UCCMB, later renamed doValue and originally part of the UniCredit Group, and Italfondionario. In 2016, doValue acquired 100% of Italfondionario, one of Italy's leading managers of performing and non-performing receivables on an outsourcing basis, becoming the market leader.

In July 2017, the doValue stock debuted on the stock exchange with an offer that was concluded in advance due to the strong interest shown by domestic and international institutional investors. doValue shares are traded under ISIN IT0001044996 and ticker symbol DOV [Bloomberg: DOV IM].

The year 2018 marked the entry of doValue into international markets, first in Greece with a contract from four systemic banks, then in the wider market of southern Europe with the agreement to acquire Altamira Asset Management, a company present in Spain, Portugal, Cyprus and Greece, on December 31, 2018.

With the completion of the acquisition of Altamira in in June 2019, doValue has taken a major step forward in the implementation of the 2018-2020 Business Plan and has established itself as the main operator in Southern Europe in the management of loans and real estate assets, with a portfolio about €135 billion under management.



NOTES TO THE CONSOLIDATED INTERIM REPORT

Basis of preparation

The Consolidated Interim Report as at September 30, 2019, has been prepared on a voluntary basis in order to ensure continuity with the previous quarterly report as at March 31, 2019, as Legislative Decree 25/2016 implementing Directive 2013/50/EU eliminated the requirement for periodic financial reporting in addition to the half-year and annual reports.

The Consolidated Interim Report as at September 30, 2019 has not been prepared in accordance with the international accounting standard applicable to interim reporting (IAS 34 – Interim Financial Reporting) in view of the fact that the doValue Group applies that standard in the preparation of its Consolidated Half-Year Report and not to its quarterly reporting.

This Consolidated Interim Report at September 30, 2019 has been prepared on a going-concern basis in compliance with the provisions of IAS 1, and on an accrual basis in accordance with the principles of the relevance and materiality of accounting information, the prevalence of economic substance over legal form and with a view to facilitating consistency with future presentations.

Beginning with Consolidated Half-Year Report at June 30, 2019, the Group no longer uses the schedules and the related rules of compilation established in the Bank of Italy Circular no. 262/2005 and instead presents its schedules in accordance with the framework established by IAS 1 following the conclusion of the debanking process described in the section on significant events during the period.

The Consolidated Interim Report as at September 30, 2019 is accompanied by the certification of the Financial Reporting Officer pursuant to Article 154-bis of Legislative Decree 58/1998.

Scope and method of consolidation

As at September 30, 2019, the Group comprises the companies reported in the following table:

Company name	Headquarters and Registered Office	Country	Type of Relationship (1)	Owner relationship		Voting rights % (2)
				Held by	Holding %	
1. doValue S.p.A. (formerly doBank S.p.A.)	Verona	Italy		Holding		
2. Italfondario S.p.A.	Rome	Italy	1	doValue S.p.A.	100%	100%
3. doData S.r.l.	Rome	Italy	1	doValue S.p.A.	100%	100%
4. doSolutions S.p.A.	Rome	Italy	1	doValue S.p.A.	100%	100%
5. doValue Hellas Credit and Loan Servicing S.A.	Athens	Greece	1	doValue S.p.A.	100%	100%
6. Altamira Asset Management S.A.	Madrid	Spain	1	doValue S.p.A.	85%	85%
7. Proteus Asset Management, Unipessoal LDA	Lisbon	Portugal	1	Altamira Asset Management S.A.	100%	100%
8. Altamira Asset Management Cyprus limited	Nicosia	Cyprus	1	Altamira Asset Management S.A.	51%	51%
9. Altamira Asset Management Hellas Single-Member Company	Athens	Greece	1	Altamira Asset Management S.A.	100%	100%

Notes to the table

(1) Type of relationship:

- 1 = majority of voting rights at ordinary shareholders' meeting.
- 2 = dominant influence at ordinary shareholders' meeting.
- 3 = agreements with other shareholders.
- 4 = other types of control.
- 5 = centralized management pursuant to Article 39, paragraph 1, of Legislative Decree 136/2015.
- 6 = centralized management pursuant to Article 39, paragraph 2, of Legislative Decree 136/2015.

(2) Voting rights available in general meeting. The reported voting rights are considered effective

The scope of consolidation has remained unchanged compared with the first half of 2019, which saw the entry of the 85% stake in Altamira Asset Management S.A. with its subsidiaries in Portugal, Cyprus and Greece.

The methods used to account for the subsidiaries (line-by-line consolidation) are the same as those adopted for the 2018 Annual Report of the doValue Group, which readers are invited to consult.

The financial statements of the Parent Company and the other companies used to prepare the Interim Report are those prepared as at September 30, 2019. Where necessary, the financial statements of consolidated companies that may have been prepared on the basis of different accounting policies have been adjusted to ensure their consistency with the Group's accounting policies.

Accounting policies

In application of Legislative Decree 38 of February 28, 2005, this Consolidated Interim Report as at September 30, 2019 has been prepared in accordance with the accounting standards issued by the International Accounting Standards Board (IASB), including SIC and IFRIC interpretations, endorsed by the European Commission, as provided for in Regulation (EU) no. 1606 of July 19, 2002.

The recognition, measurement and derecognition criteria adopted for assets and liabilities, and the methods for recognising revenues and costs, adopted in this Interim Report have been updated with respect to those used in preparing the Consolidated Financial Statements for the financial year ended December 31, 2018 following the entry into force as from January 1, 2019 of the new accounting standard IFRS 16 "Leases".

Effects of first-time adoption of IFRS 16 - Leases

IFRS 16, applicable to annual accounting periods beginning on or after January 1, 2019, replaces IAS 17 and all related interpretations (IFRIC 4 Determining whether an arrangement contains a lease, SIC 15 Operating leases - Incentives, SIC 27 Evaluating the substance of transactions in the legal form of a lease).

The standard establishes that the recognition and presentation of items shall take account of the substance of the transaction or the contract.

Therefore, all leases shall be reported by the entity in the balance sheet as assets and liabilities and no longer off-balance sheet as in the case of operating leases. At the time of initial recognition, the asset shall be measured on the basis of the cash flows associated with the lease, including, in addition to the present value of the lease payments, the initial direct costs associated with the lease and any costs necessary to restore the asset at the end of the lease. After initial recognition, the asset is measured on the same basis as property, plant and equipment. The standard requires the recognition in profit or loss of the depreciation on the asset and the separate recognition of the interest component of the lease payment.

A preliminary analysis of the impact of the application of IFRS 16 within the Group was carried out during 2018 with the involvement of various Group departments.

The Group applied the modified retrospective approach envisaged in paragraph C.5 b) of IFRS 16, accounting for the cumulative effect of initial application of the standard at the transition date (January 1, 2019); consequently, there were no significant impacts on the Group's shareholders' equity.

The Group elected to use the two exemptions envisaged for first-time application of the standard for the following contracts:

- Short-term leases (term of less than or equal to 12 months);
- Low-value leases (less than €5.000).

The adoption of the new accounting standard has increased both assets and liabilities as a result of the recognition of the rights-of-use and the associated liabilities, the values for which at January 1, 2019 are reported in the following table. These values also take account of the new companies of the Altamira group, which entered the scope of consolidation at June 30, 2019.

(€/000)

Leasing category IFRS 16	Liability	Right of Use	Provisions for risks and charges	Number of assets
Office premises	15,466	15,617	151	50
Employee accomodation	467	467	-	6
Company cars	1,135	1,135	-	37
Total	17,068	17,219	151	93

The provisions for risks and charges exclusively report the discounted value of the charges expected to be incurred to restore office premises at the end of the leases.

Impact of the transition to IFRS 16 on the balance sheet

(€/000)

ASSETS	AMOUNTS AT	Impact of transition to IFRS 16 (B)	AMOUNTS AT
	12/31/2018 (A)		01/01/2019 (C) = (A) + (B)
NON-CURRENT ASSETS			
Intangible assets	6,847	-	6,847
Property, plant and equipment	3,726	11,769	15,495
Investments in associates and joint ventures	-	-	-
Non-current financial assets	36,312	-	36,312
Deferred tax assets	81,406	-	81,406
	128,291	11,769	140,060
CURRENT ASSETS			
Inventories	564	-	564
Current financial assets	999	-	999
Trade receivables	99,224	-	99,224
Tax assets	33	-	33
Other current assets	13,771	-	13,771
Cash and cash equivalents	73,444	-	73,444
	188,035	-	188,035
Assets held for sale	710	-	710
TOTAL ASSETS	317,036	11,769	328,805
SHAREHOLDERS' EQUITY AND LIABILITIES			
	AMOUNTS AT	Impact of transition to IFRS 16 (B)	AMOUNTS AT
	12/31/2018 (A)		01/01/2019 (C) = (A) + (B)
SHAREHOLDERS' EQUITY			
Share capital	41,280	-	41,280
Valuation reserve	591	-	591
Other reserves	140,324	-	140,324
Treasury shares	(246)	-	(246)
Net profit (loss) for the period	50,840	-	50,840
Equity attributable to shareholders of the Parent Company	232,789	-	232,789
Non-controlling interests	-	-	-
TOTAL SHAREHOLDERS' EQUITY	232,789	-	232,789
NON-CURRENT LIABILITIES			
Loans and other financing	165	-	165
Other non-current financial liabilities	-	11,618	11,618
Employee benefits	9,577	-	9,577
Provisions for risks and charges	20,754	151	20,905
Deferred tax liabilities	21	-	21
	30,517	11,769	42,286
CURRENT LIABILITIES			
Loans and other financing	129	-	129
Other current financial liabilities	-	-	-
Trade payables	21,848	-	21,848
Tax payables	11,069	-	11,069
Other current liabilities	14,152	-	14,152
	47,198	-	47,198
Liabilities associated with assets held for sale	6,532	-	6,532
TOTAL LIABILITIES	84,247	11,769	96,016
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	317,036	11,769	328,805

The **impact on profit or loss** of the transition to IFRS 16 is reported in the section on Group results at September 30, 2019: in order to enable a uniform comparison of the data, a restated income statement for the first nine months of 2018 has been prepared assuming the application of IFRS 16 as from January 1, 2018.




INTERIM REPORT ON OPERATIONS



Introduction

The summary results and the performance and financial indicators are based on the accounting data. They are used by management to monitor performance and for management reporting purposes. They are also consistent with measurement metrics commonly adopted in the sector, ensuring the comparability of the figures presented.

The Group's business

The doValue Group is a leader in Southern Europe in providing services for the management of loans and real estate assets, primarily non-performing receivables, for banks, investors and public and private financial institutions (Servicing), with a portfolio under management (measured in terms of gross book value) of about €135 billion in Italy, Spain, Portugal, Greece and Cyprus. The doValue Group also provides ancillary commercial, real estate and legal products and services linked to its servicing operations (Ancillary Products).

Within the Group, doValue S.p.A. is specialised in Special Servicing and Real Estate activities, and its subsidiary Italfondario primarily performs Master Servicing activities, while Ancillary Products connected with recovery activities are completed by doData and the internal Judicial Management unit. These companies are focused on the Italian market, while the integrated offer of services on the Greek market is entrusted to the subsidiary doValue Hellas and the Spanish, Portuguese and Cypriot markets are handled by Altamira Asset Management.

In 2018 a significant corporate reorganisation was undertaken, which in June 2019 saw doValue take the form of a servicing company governed by Article 115 of the Consolidated Public Security Act (TULPS), thus ceasing to be considered a banking group. The reorganisation and debanking process made the Group's structure more coherent with the business mix, which is focused on servicing activities, and enabled the more optimal use of its financial resources, which were previously subject to the capital restrictions envisaged for banking groups.

Within the Servicing business, the services offered by the doValue Group include, among others:

- "Collection and Recovery": services comprising all loan administration, management and recovery activities, utilising in court and out-of-court recovery processes for and on behalf of third parties with regard to portfolios of performing, unlikely-to-pay (UTP) and non-performing loans (NPL, bad loans);
- "Due Diligence": services including the collection and organisation of information in data room environments as well as the analysis and assessment of loan portfolios for the preparation of business plans for collection and recovery activities;
- "Structuring": services including structuring securitisation transactions under Law 130/1999 as well as performing the role of authorised entity in securitisation transactions;
- "Co-investment": activities of co-investment in loan portfolios in partnership with major financial investors, where such activities are instrumental in obtaining servicing contracts. This business involves taking minority positions in securities issued by securitisation vehicles governed by Law 130/1999.

As part of the management of real estate servicing activities, the services offered by the doValue Group include, among other things:

- “Real estate collateral management”: a set of activities aimed at the development and sale, directly or through intermediaries, of real estate owned by customers originally used as collateral for bank loans;
- “Real estate development”: services aimed at analysing, realising and marketing real estate development projects involving the assets owned by customers;
- “Property and asset management”: a set of services aimed at managing and maintaining customers’ real estate assets, with the aim of maximising profitability through sale or lease.

The Ancillary Products are closely connected with loan recovery activities and include, among others, the collection, processing and provision of commercial, real estate and legal information relating to debtors as well as the provision of legal services. Among the minor activities, until the end of the first quarter of 2019 the doValue Group also offered selected banking products, primarily linked to its Servicing activities, such as granting mortgage loans, mainly in foreclosure auctions, and managing deposit accounts for selected clients, which together are designated Ancillary Products and Other Minor Activities. The offer of these banking products was suspended at the end of the first quarter as part of the corporate reorganisation process referred to above.

Both doValue and Italfondinario, in their capacity as special servicers, have been rated “RSS1-/CSS1-” by Fitch Ratings, and “Strong” by Standard & Poor’s. The Servicer Ratings assigned to doValue and Italfondinario are the highest of those assigned to Italian operators in the sector. In addition, these ratings were assigned to doValue and Italfondinario back in 2008, before any other operator in the industry in Italy. In 2017, doValue was also assigned a Master Servicer rating of “RMS2/CMS2/ABMS2” by Fitch Ratings, which was also improved by a notch in 2019.

The doValue Group has long been a major partner of leading financial institutions of systemic importance and international institutional investors specialised in investments in loan and real estate portfolios. The Group’s customer base can be divided into two main categories that reflect the type of activity carried out: (i) Banks, for which the Group mainly performs “Collection and Recovery”, “Real estate collateral management” and “Property management” activities and (ii) Investors, for which doValue also carries out “Due Diligence” and “Structuring” activities as well as the activities cited above. doValue offers both groups of customers the entire range of Ancillary Products connected with Recovery activities.

Group highlights

(€/000)

Key data of the consolidated income statement	First nine months		Change	
	2019	2018 RESTATED (1)	Amount	%
Gross Revenues	233,352	161,923	71,429	44%
Net Revenues	209,823	145,916	63,907	44%
Operating expenses	(131,051)	(89,732)	(41,319)	46%
EBITDA	78,772	56,184	22,588	40%
EBITDA Margin	34%	35%	(1)%	(3)%
Non-recurring items (2)	(11,857)	-	(11,857)	n.s.
EBITDA excluding non-recurring items	90,629	56,184	34,445	61%
EBITDA Margin excluding non-recurring items	39%	35%	4%	12%
EBT	42,614	54,210	(11,596)	(21)%
EBT Margin	18%	33%	(15)%	(45)%
Net Profit (Loss) attributable to the Group	18,561	34,509	(15,948)	(46)%
Net Profit (Loss) attributable to the Group excluding non-recurring items	44,711	34,509	10,202	30%

¹⁾ In order to enhance the comparability of the figures for 2019 with the figures in the income statement, the effects of the application of the new IFRS 16 Leases as from January 1, 2019 have been included. See also the separate reconciliation table.

²⁾ Non-recurring items include the costs connected with the acquisition of Altamira Asset Management S.A.. And those incurred for the Group reorganisation project

(€/000)

Key data of the consolidated balance sheet	9/30/2019	12/31/2018	Change	
			Amount	%
Cash and liquid securities	151,271	74,443	76,828	103%
Intangible assets	392,687	6,847	385,840	n.s.
Financial assets	48,087	36,312	11,775	32%
Trade receivables	166,304	99,224	67,080	68%
Tax assets	78,392	87,355	(8,963)	(10)%
Total assets	869,114	317,036	552,078	n.s.
Financial liabilities	501,896	294	501,602	n.s.
Trade payables	43,133	21,848	21,285	97%
Tax Liabilities	56,093	11,090	45,003	n.s.
Other liabilities	28,572	14,152	14,420	102%
Provisions for risks and charges	18,104	20,754	(2,650)	(13)%
Total Liabilities	656,845	84,247	572,598	n.s.
Shareholders' equity	212,269	232,789	(20,520)	(9)%

In order to facilitate an understanding of the doValue Group's performance and financial position, a number of alternative performance measures ("Key Performance Indicators" or "KPIs") have been selected by the Group.

Compared with the KPIs reported until the Consolidated Half-Year Report for this year, we have added a number of new indicators in order to adjust management's vision to the new structure of the Group following the debanking and, above all, the significant international expansion undertaken in mid-2019.

(€/000)			
KPIs	Sep -2019	Dec - 2018 ⁽²⁾	Sep -2018 RESTATEd ⁽¹⁾
[1] Gross Book Value (EoP) - Group	132,433,608	138,578,013	135,915,088
[2] Gross Book Value (EoP) - Italy	77,079,160	82,179,013	83,549,481
[3] Collections - Italy	1,235,420	1,961,177	1,334,000
[4] LTM Collections - Italy	1,862,598	1,961,177	1,936,099
[5] LTM Collections - Italy - Stock	1,804,343	1,768,762	1,808,324
[6] LTM Collections / GBV EoP - Italy	2.4%	2.4%	2.3%
[7] LTM Collections / GBV EoP - Italy - Stock	2.5%	2.5%	2.5%
[8] Staff FTE / Total FTE	33%	37%	31%
[9] LTM Collections / Servicing FTE - Italy	2.73	2.66	2.60
[10] EBITDA Reported	78,772	84,013	56,184
[11] Non-recurring items (NRIs) included in EBITDA	(11,857)	(2,712)	0
[12] EBITDA Ordinary	90,629	86,725	56,184
[13] EBITDA Margin Reported	33.8%	36.0%	34.7%
[14] EBITDA Margin wo/NRIs	38.8%	37.1%	34.7%
[15] Net Profit (Loss) for the period attributable to the shareholders of the Parent Company Reported	18,561	50,511	34,509
[16] Non-recurring items (NRIs) included in Net Income	(26,346)	(1,784)	0
[17] Net Profit (Loss) for the period attributable to the shareholders of the Parent Company Ordinary	44,711	52,295	34,509
[18] Earning per share (Euro)	0.24	0.64	0.44
[19] Earning per share wo/NRIs (Euro)	0.57	0.66	0.44
[20] Capex	4,759	5,408	3,201
[21] EBITDA - Capex	74,013	78,605	52,984
[22] Net Working Capital	123,171	77,387	82,686
[23] Net Financial Position	(257,464)	67,911	37,501
[24] Leverage (Net Debt / EBITDA LTM PF)	1.5x	n.a.	n.a.

⁽¹⁾ In order to enhance the comparability of the figures for 2019 with the figures in the income statement, the effects of the application of the new IFRS 16 Leases as from January 1, 2019 have been included. See also the separate reconciliation table.

⁽²⁾ With regard to the indicators from [1] to [9], in order to enhance the comparability of the figures for 2019 with the figures in the income statement, the effects deriving from the acquisition of Altamira were included in the 2018 data as if this had occurred from 1 January 2018

Key

Gross Book Value EoP Group/Italy: Indicates the book value of the loans under management at the end of the reference period for the entire Group/Italy, gross of any potential write-downs due to expected loan losses.

Collections Italy: used to calculate commissions for the purpose of determining revenues from the servicing business, they illustrate the Group's ability to extract value from the portfolio under management.

Collections for last 12 months (LTM): collections in the twelve months prior to the reference date. The aggregate is used in interim periods to enable a like-for-like comparison with the annual figure.

Collections for last 12 months (LTM) Stock Italy: collections in the twelve months prior to the reference date for the stock of positions under management.

LTM collections/GBV (Gross Book Value) EoP Italy: the ratio between total gross LTM collections and the period-end GBV of the total portfolio under management. This indicator represents another metric to analyse collections for the period and LTM in absolute terms, calculated in relation to the effectiveness rate of collections, i.e. the yield of the portfolio under management in terms of annual collections and, consequently, commission income from management activities.

LTM collections/GBV (Gross Book Value) EoP Stock Italy: the ratio between total gross LTM collections on the stock of positions at the start of the year and the period-end GBV of the total stock of positions under management. Compared with the previous LTM collections/GBV indicator, this represents the effectiveness rate of collections "normalised" with respect to the inclusion of new portfolios during the year.

Staff FTE/Total FTE: the ratio between the number of employees who perform support activities and the total number of full-time employees of the Group. The indicator illustrates the efficiency of the operating structure and the focus on management activities.

LTM collections/Servicing FTE Italy: the ratio between total LTM collections and the number of employees who perform servicing activities. The indicator provides an indication of the collection efficiency rate, i.e. the yield of each individual employee specialised in servicing activities in terms of annual collections on the portfolio under management.

EBITDA and net profit pertaining to the shareholders of the Parent Company reported: together with other relative profitability indicators, they highlight changes in operating performance and provide useful information regarding the Group's economic performance. The data are calculated after the end of the period.

Non-recurring items: items generated in extraordinary operations such as corporate restructurings, acquisitions or disposals of entities, start-up of new businesses or entry into new markets.

Ordinary EBITDA: EBITDA attributable to core operations, excluding all items connected with extraordinary operations such as corporate restructurings, acquisitions or disposals of entities, start-up of new businesses or entry into new markets.

EBITDA Margin Reported: obtained by dividing EBITDA by **Gross Revenues**.

EBITDA Margin excluding non-recurring items: obtained by dividing Ordinary EBITDA by Gross Revenues

Earnings per share: calculated as the ratio between net profit for the period and the number of outstanding shares at the end of the period.

Earnings per share excluding non-recurring items: the calculation is the same as that for earnings per share, but the numerator is equal to net profit for the period excluding non-recurring items net of the associated tax effects.

EBITDA – Capex: calculated as EBITDA net of investments in fixed capital (including property, plant and equipment and intangible and financial assets) ("Capex"). Together with other relative profitability indicators, it highlights changes in operating performance and provides an indication on the Group's ability to generate cash.

Net Working Capital: this is represented by receivables for fees invoiced and accruing, net of payables to suppliers for invoices accounted for and falling due in the period.

Net Financial Position: this is calculated as the sum of cash, cash equivalents and highly-liquid securities, net of amounts due to banks for loans and due to customers for the current accounts opened with the Group.

Leverage: the ratio between Net Financial Position and EBITDA for the last 12 months pro forma, taking account of significant transactions from the start of the period. It is an indicator of the Group's debt.

GROUP RESULTS AT SEPTEMBER 30, 2019

Performance

The following table presents the reclassified income statement as at September 30, 2019 with comparative figures as at September 30, 2018 ("First nine months of 2018 Restated") restated to ensure comparability and therefore retrospectively reflect the impact of the application of the new IFRS 16 Leases.

As noted in the section on accounting policies, from January 1, 2019 the application of the new standard entails a different calculation and a different classification of lease payments, which until December 31, 2018 had been recognised under administrative expenses and therefore included in the calculation of EBITDA: they are now broken down into depreciation of property, plant and equipment and interest and fees on financial assets for the financial expense component.

In order to enable a comparison of the values, therefore, the first nine months of 2018 "restated" was determined as follows.

The results for the first nine months of 2019 include Altamira Asset Management for the third quarter of 2019, as the acquisition was completed at the end of June. However, in the specific section on significant events in the period, we provide a comparison of the first nine months of 2019 on a like-for-like basis, i.e. with an "aggregate 2018" that supplements the data for the first nine months of 2018 actual with the performance figures for Altamira in the third quarter of 2018.

Consolidated income statement at September 30, 2019

(€/000)

Condensed consolidated income statement	First nine months		Change	
	2019	2018 RESTATED ⁽¹⁾	Amount	%
Servicing revenues	206,586	144,172	62,414	43%
o/w NPL	173,654	144,172	29,482	20%
o/w REO	32,932	-	32,932	n.s.
UTP Servicing				
Co-investment revenues	477	714	(237)	(33)%
Ancillary and other revenues	26,289	17,037	9,252	54%
Gross Revenues	233,352	161,923	71,429	44%
NPL Outsourcing fees	(12,396)	(12,445)	49	(0)%
REO Outsourcing fees	(5,143)	-	(5,143)	n.s.
Ancillary Outsourcing fees	(5,990)	(3,562)	(2,428)	68%
Net revenues	209,823	145,916	63,907	44%
Staff expenses ⁽³⁾	(89,266)	(68,092)	(21,174)	31%
Administrative expenses	(41,785)	(21,640)	(20,145)	93%
Operating expenses	(131,051)	(89,732)	(41,319)	46%
EBITDA	78,772	56,184	22,588	40%
EBITDA Margin	34%	35%	(1)%	(3)%
Non-recurring items (NRIs) included in EBITDA ⁽²⁾	(11,857)	-	(11,857)	n.s.
EBITDA excluding NRIs	90,629	56,184	34,445	61%
EBITDA Margin excluding NRIs	39%	35%	4%	12%
Impairment/Write-backs on property, plant, equipment and intangible assets	(25,455)	(3,818)	(21,637)	n.s.
Net Provisions for risks and charges	(7,456)	146	(7,602)	n.s.
Net Write-downs of loans	553	450	103	23%
Net income (losses) from investments	-	917	(917)	(100)%
EBIT	46,414	53,879	(7,465)	(14)%
Net income (loss) on financial assets and liabilities measured at fair value	1,093	630	463	73%
Net financial interest and commissions	(4,893)	(299)	(4,594)	n.s.
EBT	42,614	54,210	(11,596)	(21)%
Income tax for the period	(22,038)	(19,701)	(2,337)	12%
Profit (loss) from group of assets sold and held for sale net of tax	-	-	-	n.s.
Net Profit (Loss) for the period	20,576	34,509	(13,933)	(40)%
Net Profit(Loss) attributable to non-controlling interests	(2,015)	-	(2,015)	n.s.
Net Profit (Loss) for the period attributable to the shareholders of the Parent Company	18,561	34,509	(15,948)	(46)%
NRIs including in the result for the period attributable to the shareholders of the Parent Company	(26,346)	-	(26,346)	n.s.
NRIs including in the result for the period attributable to non-controlling interests	(196)	-	(196)	n.s.
Net Profit (Loss) for the period attributable to the shareholders of the Parent Company excluding NR	44,711	34,509	10,202	30%
Net Profit(Loss) attributable to non-controlling interests excluding NRIs	2,211	-	2,211	n.s.
Earnings per share (Euro)	0.24	0.44	(0.21)	(47)%
Earnings per share excluding NRIs (Euro)	0.57	0.44	0.13	29%

⁽¹⁾ In order to enhance the comparability of the figures for 2019 with the figures in the income statement, the effects of the application of the new IFRS 16 Leases as from January 1, 2019 have been included. See also the separate reconciliation table.

⁽²⁾ Non-recurring items in Operating expenses include the costs connected with the acquisition of Altamira Asset Management S.A.. And those incurred for the Group reorganisation project

⁽³⁾ Non-recurring items included below EBITDA refer to (i) termination incentive plans that have therefore been reclassified from personnel expenses, and (ii) income taxes mainly referred to the cancellation of deferred tax assets following the change in the rate as part of the debanking process

Restatement of the first nine months of 2018, with indication of the impact of IFRS 16 Leases

The following table provides a restatement of the income statement published in the Consolidated Interim Report for the first nine months of 2018, showing the impact of IFRS 16 as if it had been applied retrospectively as from January 1, 2018.

Please note that this restatement is not required by the standard and has been prepared on a voluntary basis for management income statement data only, in order to enable a comparison of the figures for 2019 with those for the corresponding period of the previous year.

The calculation of the impact of IFRS 16 is therefore an estimate based on outstanding leases in the first nine months of 2018.

(€/000)

Condensed consolidated income statement	First nine months	IFRS 16 impact	First nine months
	2018		2018 RESTATED
Servicing revenues	144,172	-	144,172
Co-investment revenues	714	-	714
Ancillary and other revenues	17,037	-	17,037
Gross Revenues	161,923	-	161,923
NPL Outsourcing fees	(12,445)	-	(12,445)
Ancillary Outsourcing fees	(3,562)	-	(3,562)
Net revenues	145,916	-	145,916
Staff expenses	(68,092)	-	(68,092)
Administrative expenses	(23,431)	1,791	(21,640)
<i>o/w IT</i>	(9,323)	-	(9,323)
<i>o/w Real Estate</i>	(6,169)	1,707	(4,462)
<i>o/w SG&A</i>	(7,939)	84	(7,855)
Operating expenses	(91,523)	1,791	(89,732)
EBITDA	54,393	1,791	56,184
EBITDA Margin	34%		35%
Impairment/Write-backs on property, plant, equipment and intangible assets	(1,796)	(2,022)	(3,818)
Net Provisions for risks and charges	148	(2)	146
Net Write-downs of loans	450	-	450
Net income (losses) from investments	917	-	917
EBIT	54,112	(233)	53,879
Net income (loss) on financial assets and liabilities measured at fair value	627	3	630
Net financial interest and commissions	(140)	(159)	(299)
EBT	54,599	(389)	54,210
Income tax for the year	(19,834)	133	(19,701)
Profit (loss) from group of assets sold and held for sale net of tax	-	-	-
Net Profit (Loss) for the period	34,765	(256)	34,509
Minorities	-	-	-
Net Profit (Loss) attributable to the Group	34,765	(256)	34,509

Introduction

The comments below are accompanied by a number of notes based on a comparison of the actual data for the first nine months of 2019 with the "aggregate" data for the first nine months of 2018 presented in the section on significant events during the period, in the sub-section relating to the acquisition of Altamira.

The formation of EBITDA

Significant non-recurring charges were incurred in the first nine months of 2019, mainly associated with the completion of the corporate reorganisation process and the acquisition of Altamira Asset Management. For this reason, we feel that the Group's organic capacity to generate operating profit is best expressed by EBITDA adjusted to exclude these charges.

EBITDA excluding non-recurring charges amounting to €11.9 million increased by 61% to €90.6 million (€56.2 million at September 30, 2018), equal to 39% of revenues, up 4 percentage points compared with the year-earlier period.

EBITDA reached €78.8 million (€56.2 million in the first nine months of 2018 restated). The restatement of 2018 EBITDA, which was necessary to ensure comparability with the 2019 figures following the transition to IFRS 16, essentially concerned the real estate lease costs.

(€/000)

Net revenues	First nine months		Change	
	2019	2018 RESTATED	Amount	%
Servicing revenues	206,586	144,172	62,414	43%
o/w NPL	173,654	144,172	29,482	20%
o/w REO	32,932	-	32,932	n.s.
Co-investment revenues	477	714	(237)	(33)%
Ancillary and other revenues	26,289	17,037	9,252	54%
Gross Revenues	233,352	161,923	71,429	44%
NPL Outsourcing fees	(12,396)	(12,445)	49	(0)%
REO Outsourcing fees	(5,143)	-	(5,143)	n.s.
Ancillary Outsourcing fees	(5,990)	(3,562)	(2,428)	68%
Net revenues	209,823	145,916	63,907	44%

(€/000)

Operating expenses	First nine months		Change	
	2019	2018 RESTATED	Amount	%
Staff expenses	(89,266)	(68,092)	(21,174)	31%
Administrative expenses	(41,785)	(21,640)	(20,145)	93%
o/w IT	(12,462)	(9,323)	(3,139)	34%
o/w Real Estate	(3,719)	(4,462)	743	(17)%
o/w SG&A	(25,604)	(7,855)	(17,749)	n.s.
Operating expenses	(131,051)	(89,732)	(41,319)	46%
EBITDA	78,772	56,184	22,588	40%
Non-recurring items (NRIs) included in EBITDA	(11,857)	-	(11,857)	n.s.
EBITDA excluding NRIs	90,629	56,184	34,445	61%

Developments in EBITDA excluding non-recurring charges were driven by the performance of gross revenues, which at the end of the first nine months of 2019 amounted to €233.4 million, up 44% on September 30, 2018, essentially due to Altamira, which as of the third quarter of 2019 is contributing to the determination of consolidated performance.

Compared with "aggregate" EBITDA at September 30, 2018, i.e. including the contribution of Altamira Asset Management for the July-September period, which equalled €80.2 million, the increase in EBITDA excluding non-recurring charges came to 13% (with the EBITDA margin rising by 2.6 percentage points from 36.2% to 38.8%). The positive trend was boosted by the growth in revenues in the first nine months of 2019, with an increase of 5.4% on a like-for-like basis. The developments in revenues mainly reflected an increase in revenues from real estate management services and ancillary services.

Servicing revenues amounted to €206.6 million, an increase of 43% on the same period

of the previous year, mainly due to Altamira. On a like-for-like basis, the growth in servicing revenues in the first nine months of 2019 amounted to 3% compared with the "aggregate" figures for the first nine months of 2018.

The performance of base fees, despite the stability of average fees as a proportion of the GBV of assets under management (Italian operations), was affected by the reduction in the portfolio under management, which compared with the first nine months of 2018 contracted by 8% following recoveries and the assignment of loans by a number of customers.

Collections as a ratio of end-period Gross Book Value (expressed by the indicator "LTM Collections/GBV EoP - Italy") in the last 12 months amounted to 2.4%, an increase on the 2.3% posted in the first nine months of 2018 (and in line with the 2.4% seen at the end of 2018). Excluding new management contracts, the indicator "LTM Stock/GBV EoP Stock - Italy" would be 2.5%, unchanged on the first nine months of 2018 and December 31, 2018.

Among **revenues from co-investment**, the contribution of revenues from the ABSs of the two securitisations Romeo SPV and Mercuzio Securitisation was negligible and smaller than in the first nine months of 2018 (-€237 thousand). A more significant contribution came from **revenues from ancillary products and minor activities**, generated primarily by business information services, due diligence activities and administrative servicing. They represent 11% of total gross revenues for the period and increased by 54% on the same period of the previous year. On a like-for-like basis, i.e. in a comparison with the "aggregate" first nine months of 2018, the increase in this revenue component amounted to 28%.

The item also includes the reimbursement of costs incurred in connection with the management of the contract with the four Greek banks in the amount of about €3.8 million.

Fee and commission expense rose to €23.5 million from €16.0 million in the first nine months of 2018, entirely accounted for by the inclusion of Altamira Asset Management in the scope of consolidation. Considering Altamira's contribution in the year-earlier period ("aggregate" first nine months of 2018), fee and commission expense declined by 9% from €25.8 million, reflecting a decline in the use of the external network in Italian operations for activities connected with our NPL business.

Operating expenses amounted to about €131.1 million, an increase of 46% on the same period of 2018, reflecting the entry of Altamira in the Group and the presence of non-recurring items (€11.9 million), an increase in IT spending, the expansion of the workforce and start-up activities in the UTP business. Compared with operating expenses in 2018 including the contribution of Altamira ("aggregate" first nine months of 2018), operating expenses excluding non-recurring charges rose by 3%.

More specifically, **staff expenses** rose to €89.3 million, mainly in reflection of the contribution of the Altamira workforce and the expansion of staff, while the reduction in personnel following discussions with the unions will take full effect as from 2020.

Administrative costs amounted to €41.8 million, compared with €21.6 million at September 30, 2018. The increase mainly reflected non-recurring items connected with advisory services associated with the acquisition of Altamira and with the Group reorganisation project (+€11.9 million), in line with expectations.

As in 2018 and the earlier quarters of 2019, operating expenses in the first nine months of 2019 included certain **non-recurring items**, which have been used to adjust EBITDA in order to facilitate a comparison between periods and clarify the Group's structural profitability.

These non-recurring items, which were not present in the first nine months of 2018, amounted to €11.9 million and include:

- (i) the costs related to the acquisition of the servicer Altamira Asset Management;

- (ii) the Group reorganisation project envisaged in the 2018-2020 Business Plan, which includes the de-banking process and a greater focus on UTP servicing;

The formation of EBIT and EBT

Group **EBIT** amounted to €46.4 million, compared with €53.9 million in the first nine months of 2018 (-14%), while **EBT** was slightly lower at €42.6 million, compared with €54.2 million in the same period of 2018 (-21%), as detailed in the following table.

(€/000)

EBIT and EBT	First nine months		Change	
	2019	2018 RESTATED	Amount	%
EBITDA	78,772	56,184	22,588	40%
Impairment/Write-backs on property, plant, equipment and intangible assets	(25,455)	(3,818)	(21,637)	n.s.
Net Provisions for risks and charges	(7,456)	146	(7,602)	n.s.
Net Write-downs of loans	553	450	103	23%
Net income (losses) from investments	-	917	(917)	(100)%
EBIT	46,414	53,879	(7,465)	(14)%
Net income (loss) on financial assets and liabilities measured at fair value	1,093	630	463	73%
Net financial interest and commissions	(4,893)	(299)	(4,594)	n.s.
EBT	42,614	54,210	(11,596)	(21)%

EBT includes non-recurring charges amounting to €4.6 million associated with costs for early termination incentives, in addition to the non-recurring costs included in the administrative costs mentioned earlier.

Net impairment/write-backs on property, plant and equipment and intangible assets amounted to €25.5 million, a significant increase compared to the previous year (+€21.6 million). The change is attributable almost exclusively to impairment/write-backs on Altamira's intangible assets, in particular on servicing contracts in reflection of the specific features of the Spanish servicing market, where in the past the leading operators invested in long-term asset management contracts.

The balance at September 30, 2019 also includes the depreciation of rights of use identified under the new rules for accounting for leases following the introduction of IFRS 16. The amount for the first nine months 2019 came to €3.5 million, while the restated 2018 figure is €2.0 million.

Net provisions for risks and charges were €7.5 million, a substantial rise compared with September 30, 2018 (+€7.6 million), mainly reflecting personnel incentives that have been considered under non-recurring items.

Profit (loss) of equity investments for the first nine months made no contribution to performance for the period, unlike the year-earlier period when the item reflected the measurement at equity of the investment in BCC Gestione Crediti S.p.A., which was sold in the third quarter of 2018.

The formation of net profit for the period attributable to the shareholders of the Parent Company

(€/000)

Net result for the period	First nine months		Change	
	2019	2018 RESTATED	Amount	%
EBT	42,614	54,210	(11,596)	(21)%
Income tax for the period	(22,038)	(19,701)	(2,337)	12%
Net Profit (Loss) attributable to the Group	20,576	34,509	(13,933)	(40)%
Net Profit(Loss) attributable to non-controlling interests	(2,015)	-	(2,015)	n.s.
Net Profit (Loss) for the period attributable to the shareholders of the Parent Company	18,561	34,509	(15,948)	(46)%
<i>NRIs including in the result for the period attributable to the shareholders of the Parent Company</i>	(26,346)	-	(26,346)	n.s.
<i>NRIs including in the result for the period attributable to non-controlling interests</i>	(196)	-	(196)	n.s.
Net Profit (Loss) attributable to the Group excluding NRIs	44,711	34,509	10,202	30%
Earnings per share (Euro)	0.24	0.44	(0.21)	(47)%
Earnings per share excluding NRIs (Euro)	0.57	0.44	0.13	29%

Income taxes for the period amounted to €22.0 million and include a non-recurring component of €10.8 million inked to the cancellation of deferred tax assets as a result of the "debanking" of doValue, which led to a reduction in IRES and IRAP rates. The tax rate is therefore equal to 52%. Income taxes also include the accrued DTA charge for the period, equal to €1.4 million. The tax rate excluding non-recurring items and the DTA charge is 25%, compared with 34% for the same period of 2018.

Net profit for the period pertaining to the shareholders of the Parent Company amounted to €18.6 million, down 46% on 2018. **Excluding non-recurring items**, taking account of the associated tax effects, consolidated net profit came to €44.7 million, an increase of 30% on the first nine months 2018.

Segment reporting

The expansion in Greece at the beginning of the year and the acquisition of Altamira at the end of June 2019 prompted a review of the way in which management evaluates and analyses its business, transitioning from a segmentation by customer and business lines to a geographical breakdown.

The criteria for this breakdown are based on factors specific to the entities included in each category as well as the type of market. The geographical regions thus identified are: Italy, Greece and Cyprus and Iberia (Spain and Portugal).

Based on these criteria, the following table reports revenues and EBITDA for the business segments indicated above.

(€/000)

Condensed consolidated income statement	First nine months 2019			
	Italy	Greece & Cyprus	Iberia (Spain & Portugal)	Total
Servicing revenues	145,970	11,377	49,239	206,586
o/w NPL Revenues	145,970	8,230	19,454	173,654
o/w REO Revenues	-	3,147	29,785	32,932
Co-investment revenues	477	-	-	477
Ancillary and other revenues	16,288	3,857	6,144	26,289
Gross Revenues	162,735	15,234	55,383	233,352
NPL Outsourcing fees	(10,059)	(381)	(1,956)	(12,396)
REO Outsourcing fees	1	(432)	(4,712)	(5,143)
Ancillary Outsourcing fees	(3,474)	-	(2,516)	(5,990)
Net revenues	149,203	14,421	46,199	209,823
Staff expenses	(70,863)	(5,053)	(13,350)	(89,266)
Administrative expenses	(30,426)	(3,041)	(8,318)	(41,785)
o/w IT	(9,118)	(782)	(2,562)	(12,462)
o/w Real Estate	(3,015)	(541)	(163)	(3,719)
o/w SG&A	(18,293)	(1,718)	(5,593)	(25,604)
Operating expenses	(101,289)	(8,094)	(21,668)	(131,051)
EBITDA	47,914	6,327	24,531	78,772
EBITDA Margin	29%	42%	44%	34%
EBITDA excluding non-recurring items	59,199	6,325	25,105	90,629
EBITDA Contribution	61%	8%	31%	100%

Group financial position

The balance sheet figures have been reclassified from a management perspective, which is more in line with the representation of the reclassified income statement and the net financial position of the Group.

Within the financial statements section, in accordance with the same presentation approach for the income statement, we have included a reconciliation between the management balance sheet and the schedule given in the condensed consolidated financial statements for the period.

(€/000)

Condensed balance sheet	9/30/2019	12/31/2018	Change	
			Amount	%
Cash and liquid securities	151,271	74,443	76,828	103%
Financial assets	48,087	36,312	11,775	32%
Equity investments	-	-	-	n.s.
Tangible assets	22,027	4,290	17,737	n.s.
Intangible assets	392,687	6,847	385,840	n.s.
Tax assets	78,392	87,355	(8,963)	(10)%
Trade receivables	166,304	99,224	67,080	68%
Assets on disposal	10	710	(700)	(99)%
Other assets	10,336	7,855	2,481	32%
Total assets	869,114	317,036	552,078	n.s.
Financial liabilities: due to banks	408,735	-	408,735	n.s.
Other financial liabilities	93,161	294	92,867	n.s.
Trade payables	43,133	21,848	21,285	97%
Tax Liabilities	56,093	11,090	45,003	n.s.
Employee Termination Benefits	9,047	9,577	(530)	(6)%
Provision for risks and charges	18,104	20,754	(2,650)	(13)%
Liabilities on disposal	-	6,532	(6,532)	(100)%
Other liabilities	28,572	14,152	14,420	102%
Total Liabilities	656,845	84,247	572,598	n.s.
Share capital	41,280	41,280	-	n.s.
Reserves	152,612	140,915	11,697	8%
Treasury shares	(184)	(246)	62	(25)%
Result for the period	18,561	50,840	(32,279)	(63)%
Total shareholders' equity	212,269	232,789	(20,520)	(9)%
Minorities	-	-	-	n.s.
Total liabilities and shareholders' equity	869,114	317,036	552,078	n.s.

Cash and liquid securities include cash and deposits at banks. The item essentially doubled compared with the balance at December 31, 2018 owing to the inclusion of Altamira in the scope of consolidation since June 2019.

(€/000)

Cash and liquid securities	9/30/2019	12/31/2018	Change	
			Amount	%
Cash	151,271	73,444	77,827	106%
Financial assets at fair value through OCI: liquid securities	-	999	(999)	(100)%
Total	151,271	74,443	76,828	103%

Financial assets rose from €36.3 million to €48.1 million, an increase of €11.8 million, accounted for almost entirely by the short-term, opportunistic and non-recurring investment in a non-performing position with a government entity for which a favourable settlement agreement has been reached. The composition of financial assets is reported in the following table.

(€/000)

Financial assets	9/30/2019	12/31/2018	Change	
			Amount	%
At fair value through profit or loss	33,165	34,251	(1,086)	(3)%
Debt securities	4,778	5,240	(462)	(9)%
CIUs	28,340	28,964	(624)	(2)%
Equity instruments	47	47	-	n.s.
At amortized cost	14,922	2,061	12,861	n.s.
L&R with banks other than current accounts and demand deposits	99	97	2	2%
L&R with customers	14,823	1,964	12,859	n.s.
Total financial assets	48,087	36,312	11,775	32%

The increase of €17.7 million in **property, plant and equipment** reflects both the acquisition of Altamira in the amount of about €7.6 million and the recognition of right-of-use assets as a result of first-time application of IFRS 16, as described in the **Accounting Policies** section.

Intangible assets were significantly affected by the same acquisition, with their net carrying amount going from €6.8 million to €392.7 million, with a fair value measurement of intangible assets of €305.9 million in addition to €96.5 million allocated to goodwill on the basis of the provisional calculation carried out as part of the PPA process as at the date of inclusion in the scope of consolidation. This overall valuation, which is equal to the difference between the fair value of the net assets and the amount paid for the investment, is subject to possible adjustments until June 27, 2020 (within one year of the transaction).

The following table reports changes in intangible assets broken down by category.

(€/000)

	Other intangible assets					Total
	Software	Brands	Assets under development and payments on account	Other intangible assets	Goodwill	
Cost						
Opening balance at January 1, 2019	16,285	76	1,335	412	-	18,108
- Increases	1,180	7	968	1,638	-	3,793
- Acquisition of a subsidiary	13,696	40,367	-	251,863	96,967	402,893
- Other changes (+)	758	-	-	-	-	758
Closing balance at September 30, 2019	31,919	40,450	2,303	253,913	-	425,552
Depreciation, amortisation and impairment						
Opening balance at January 1, 2019	(10,919)	(10)	-	(332)	-	(11,261)
- Depreciation and amortisation	(3,843)	(899)	-	(15,988)	-	(20,730)
- Impairment	-	-	(10)	-	-	(10)
- Other changes (-)	(71)	-	(758)	(35)	-	(864)
Closing balance at September 30, 2019	(14,833)	(909)	(768)	(16,355)	-	(32,865)
Net carrying amount at September 30, 2019	17,086	39,541	1,535	237,558	-	392,687

Tax assets and liabilities at September 30, 2019 are summarised in the following tables.

(€/000)

Tax assets	9/30/2019	12/31/2018	Change	
			Amount	%
Current tax assets				
Paid in advance	403	192	211	110%
Tax credits	45	-	45	n.s.
Tax liabilities	(63)	(159)	96	(60)%
Total	385	33	352	n.s.
Deferred tax assets				
Write-down on loans	47,776	55,407	(7,631)	(14)%
Tax losses carried forward in the future	8,757	19,397	(10,640)	(55)%
Property, plants and equipment / Intangible assets	10,186	168	10,018	n.s.
Other assets / liabilities	37	39	(2)	(5)%
Provisions	5,317	6,395	(1,078)	(17)%
Total	72,073	81,406	(9,333)	(11)%
Other tax receivables	5,934	5,916	18	0%
Total tax assets	78,392	87,355	(8,963)	(10)%

Deferred tax assets registered an overall decrease of €9.0 million, with the most significant changes deriving from a combination of the following factors:

- cancellation of €10.8 million of receivables mainly related to the writedown of receivables and tax losses that can be carried forward originated by the Parent Company, doValue, following the rate change involved with the "debanking" process: the ordinary IRES and IRAP rates of 24% and 4.44% have been applied in place of the rates of 27.5% and 5.57% applied to credit and financial institutions;
- €10.1 million in new DTAs contributed by the new subsidiary Altamira, which were generated by temporary differences in the deductibility of depreciation of non-current assets;
- a decrease of €5.2 million from the reversal of the DTAs deriving from previous tax losses against the taxable income for the period of the Parent Company, doValue.

(€/000)

Tax liabilities	9/30/2019	12/31/2018	Change	
			Amount	%
Taxes for the period	4,968	8,168	(3,200)	(39)%
Deferred tax liabilities	44,958	21	44,937	n.s.
Other tax payables	6,167	2,901	3,266	113%
Total tax liabilities	56,093	11,090	45,003	n.s.

The deferred tax liabilities refer to the effect of the Altamira business combination and, more specifically, the impact of the Purchase Price Allocation process in terms of the tax effects of the adjustments made to the opening values in the consolidation of the acquired company.

Financial liabilities - due to banks include the value of the 5-year loan (Facility Loan) obtained for the acquisition of Altamira. The nominal amount of the credit line is €415 million, currently paying a variable rate of 2.25% linked to 6-month Euribor and a spread based a number of financial covenants. The fair value at which it is recognised in the financial statements, amounting to €408.7 million, corresponds to the amount received net of transaction costs incurred for the acquisition in the amount of €9.2 million, which will be amortised over the life of the loan. It also includes the accrued charge on the associated swap contract hedging a fixed 75% of the loan.

Other financial liabilities at September 30, 2019 are detailed below:

(€/000)

Other financial liabilities	9/30/2019	12/31/2018	Change	
			Amount	%
Lease liabilities	16,036	-	16,036	n.s.
Earn-out	39,562	-	39,562	n.s.
Put option on non-controlling interests	36,644	-	36,644	n.s.
Hedging derivatives	757	-	757	n.s.
Other financial liabilities	162	294	(132)	(45)%
Total other financial liabilities	93,161	294	92,867	n.s.

Lease liabilities include the discounted value of future lease payments, in accordance with the provisions of IFRS 16, which entered force as from January 1, 2019.

The liability for the earn-out is linked to the Altamira acquisition and regards a portion of the Altamira acquisition price that will be defined within two years of the agreement, i.e. at the end of December 2020.

The liability for "put option on non-controlling interests" regards the option for the purchase of residual non-controlling interests expiring in future years.

All the liabilities indicated were discounted as at September 30, 2019.

As shown in the following table, **provisions for risks and charges** contracted by €2.6 million from their balance at the end of 2018 as a result of the release of provisions in respect of staff expenses, which include provisions to finance MBO bonuses to be paid in future years on the basis of existing remuneration policies.

The residual component of provisions for risks includes provisions for disputes for which no litigation is currently under way.

(€/000)

Provision for risks and charges	9/30/2019	12/31/2018	Change	
			Amount	%
Legal disputes	8,448	7,421	1,027	14%
Staff expenses	5,845	9,627	(3,782)	(39)%
Other	3,811	3,706	105	3%
Total provision for risks and charges	18,104	20,754	(2,650)	(13)%

Other liabilities at September 30, 2019 amounted to €28.6 million, an increase of €14.4 million compared with December 31, 2018, essentially due to the accrual of the 13th monthly salary payment and related contributions and other payables due to Group personnel.

Net Working Capital

The following table shows a breakdown of net working capital at September 30, 2019, December 31, 2018 and September 30, 2018.

(€/000)

Net working capital	9/30/2019	12/31/2018	9/30/2018
Trade receivables	166,304	99,224	98,551
Trade payables	(43,133)	(21,848)	(15,865)
Total net working capital	123,171	77,376	82,686

The figure for the period of €123.2 million is significantly affected by the inclusion of Altamira which contributed €78.4 million to the balance at June 30 (€92.5 million of trade receivables and €14.1 million of trade payables).

Excluding Altamira, as the opening balance is not reflected in revenues and operating expenses, net working capital would amount to €44.7 million a contraction of 42% compared with September 30, 2018 and one of 46% compared with December 31, 2018 despite the growth in net revenues of 44%, indicating better management of net working capital that is also reflected in greater cash generation.

Net Financial Position

The following table shows a breakdown of the net financial position, whose current component is positive for all periods reported.

(€/000)

Net financial position	9/30/2019	12/31/2018	9/30/2018
A Cash	151,271	73,444	48,489
B Liquid securities	-	999	994
C Liquidity (A)+(B)	151,271	74,443	49,483
D Current bank debts	(83,087)	-	-
E Deposits from customers	-	(6,532)	(11,982)
F Net current financial position (C)+(D)+(E)	68,184	67,911	37,501
G Non-current bank debts	(325,648)	-	-
H Net financial position (F)+(G)	(257,464)	67,911	37,501

The net financial position at September 30, 2019 reflects the loan obtained by the Group for the Altamira acquisition (€415 million).

Operating Cash Flow

Cash generating capacity is detailed in the following table, which shows operating cash flow for the period compared with the first nine months of 2018.

(€/000)		
Cash Flow	9/30/2019	9/30/2018
EBITDA	78,772	54,393
Capex	(4,760)	(3,250)
EBITDA-Capex	74,012	51,143
as % of EBITDA	94%	94%
Adjustment for accrual on share-based incentive system payments	3,707	3,835
Changes in NWC	32,645	(4,421)
Changes in other assets/liabilities	(23,942)	(6,464)
Operating Cash Flow	86,422	44,093
Tax paid (IRES/IRAP)	(8,201)	(5,582)
Free Cash Flow	78,221	38,511
(Investments)/divestments in financial assets	(6,334)	(11,318)
Equity (investments)/divestments	(360,998)	2,610
Dividend paid	(36,264)	(30,907)
Net Cash Flow of the period	(325,375)	(1,104)
Net financial position - Beginning of period	67,911	38,605
Net financial position - End of period	(257,464)	37,501
Change in Net Financial Position	(325,375)	(1,104)

Operating cash flow, amounting to €86.4 million, reflects the generation of liquidity from net working capital, mainly from a reduction in collection times.

Equity investments include the effect of the cash-out concerning the acquisition of Altamira, as discussed in the section on significant events during the period.

Group shareholders' equity

Consolidated shareholders' equity as at September 30, 2019 amounted to €212.3 million, compared with €232.8 million at December 31, 2018. The composition and change in the aggregate compared with the end of the previous year are presented in the following tables.

(€/000)

Equity breakdown	9/30/2019	12/31/2018	Change	
			€	%
Share capital	41,280	41,280	-	n.s.
Valuation reserves	(448)	591	(1,039)	n.s.
Reserves	153,060	140,324	12,736	9%
Treasury shares	(184)	(246)	62	(25)%
Net Profit (loss) for the period	18,561	50,840	(32,279)	(63)%
Shareholders' equity	212,269	232,789	(20,520)	(9)%

(€/000)

Changes in consolidated shareholders' equity

Shareholders' equity as at December, 31 2018	232,789
Changes in opening balance	-
Increases:	22,268
Net profit for the period	18,561
Changes in valuation reserves (+)	-
Share payments	3,707
Decreases:	(42,788)
Dividends payed	(36,264)
Changes in valuation reserves (-)	(1,040)
Changes in other reserves (-)	(5,484)
Shareholders' equity as at September, 30 2019	212,269

The change for the period in shareholders' equity is primarily attributable to the decrease in reserves as a result of the dividends authorised by the Shareholders' Meeting of April 17, 2019.

Significant events during the period

New corporate structure and name of the Group

In June 2019, the complex corporate reorganisation, announced in June 2018 with the 2018-2020 Business Plan, was successfully concluded, giving doValue the form of a servicing company governed by Article 115 of the Consolidated Public Security Act (TULPS), thus ceasing to be a banking group.

With the implementation of this project, doValue sought to achieve greater rationalisation and efficiency for the Group, as the project seeks to make its corporate structure consistent with its core business of managing and recovering non-performing loans, unlikely-to-pay assets and real estate. The new Group structure is aligned with industry best practices and enables a more optimal use of its financial resources.

The reorganisation also involved the partial demerger by Italfondario to doValue (formerly doBank S.p.A.) of its "servicing" operations, as well as the transfer from doValue (formerly doBank S.p.A.) to Italfondario of its "master servicing" operations, all with effect as from January 1, 2019.

As part of the debanking process, the Extraordinary Shareholders' Meeting of March 5, 2019 approved the proposal of the Board of Directors to modify the corporate purpose of the Company, which has adopted the name doValue S.p.A. (previously doBank S.p.A.). With effect from August 1, 2019, the transfer of the "UTP and Banking" business line from doValue to Italfondario was completed.

Management of new loan portfolios begins

During the first half of 2019, doValue onboarded new loan portfolios whose management agreements were signed in the second half of 2018. In particular, management was initiated for portfolios acquired under agreements with the Iccrea Banking Group and with Banca Carige, involving loans with a total value of about €2.3 billion.

In line with expectations and following the successful conclusion of the onboarding and business planning phases carried out in the second half of 2018, in the first quarter of 2019 doValue also began the management of the portfolio entrusted to it by the four Greek systemic banks, the Group's first international contract, managed by the team based in Athens. The portfolio consists of approximately 300 corporate positions with a total Gross Book Value of about €1.5 billion.

Ordinary Shareholders' Meeting

The Shareholders' Meeting of doValue S.p.A. met in ordinary session on April 17, 2019 and approved all items on the agenda, including:

- the separate financial statements of doValue S.p.A. for the year ended December 31, 2018, which closed with a net profit of €43,374,465. During the Meeting, the Group's consolidated financial statements for the ended December 31, 2018 were presented, showing a net profit excluding non-recurring items of €52.6 million, +17% on the €45.0 million posted in 2017 (net profit of €50.9 million, +13% on €45.0 million in 2017);
- the distribution of dividends for 2018 of €36,836,956, equal to €0.460, gross of taxes, for each ordinary share, corresponding to 70% of consolidated net profit excluding non-recurring charges (70% pay-out);
- the annual Report on Remuneration and Incentives, the 2019 Incentive Plan based on financial instruments and the Termination Payment Policy.

Closing of the Altamira Asset Management acquisition

On June 27, 2019 the doValue Board of Directors announced that it had completed the acquisition of an 85% stake in the capital of Altamira Asset Management ("Altamira"). The Santander Group has decided to remain a shareholder of Altamira at 15% by not exercising

its co-sale right.

Altamira is a leading servicer of non-performing loans and real estate assets, with a presence in Spain, Portugal, Cyprus and Greece. The combination of doValue and Altamira has created the leader of the credit servicing sector in Southern Europe, with over €650 billion of non-performing assets and attracting strong interest from international investors.

The operation was financed with available cash from doValue and the use of a 5-year bank credit line amounting to €415 million. The structure of the transaction and its main terms are unchanged from those announced to the market on December 31, 2018, the date of the acquisition was announced.

The reclassified income statement for the first nine months of 2019 and the "aggregate" figures for the same period of 2018

In order to enable a uniform comparison of performance in the first nine months of 2019, an "aggregate" income statement for the same period of 2018 has been prepared by aggregating (i) the restated performance figures for the first nine months of 2018 for the doValue Group with (ii) the performance figures of Altamira for the third quarter of 2018.

(€/000)

Condensed consolidated income statement	First nine months		Change	
	2019	2018 AGGREGATE ⁽¹⁾	Amount	%
Servicing revenues	206,586	200,108	6,478	3%
o/w NPL	173,654	175,495	(1,841)	(1)%
o/w REO	32,932	24,613	8,319	34%
UTP Servicing				
Co-investment revenues	477	714	(237)	(33)%
Ancillary and other revenues	26,289	20,478	5,811	28%
Gross Revenues	233,352	221,300	12,052	5%
NPL Outsourcing fees	(12,396)	(16,439)	4,043	(25)%
REO Outsourcing fees	(5,143)	(4,770)	(373)	8%
Ancillary Outsourcing fees	(5,990)	(4,556)	(1,434)	31%
Net revenues	209,823	195,535	14,288	7%
Staff expenses ⁽³⁾	(89,266)	(85,024)	(4,242)	5%
Administrative expenses	(41,785)	(32,072)	(9,713)	30%
Operating expenses	(131,051)	(117,096)	(13,955)	12%
EBITDA	78,772	78,439	333	0%
EBITDA Margin	34%	35%	(2%)	(5)%
Non-recurring items (NRIs) included in EBITDA ⁽²⁾	(11,857)	(1,784)	(10,073)	n.s.
EBITDA excluding NRIs	90,629	80,223	10,406	13%
EBITDA Margin excluding NRIs	39%	36%	3%	7%
Impairment/Write-backs on property, plant, equipment and intangible assets	(25,455)	(17,660)	(7,795)	44%
Net Provisions for risks and charges	(7,456)	(4,067)	(3,389)	83%
Net Write-downs of loans	553	450	103	23%
Net income (losses) from investments	-	917	(917)	(100)%
EBIT	46,414	58,079	(11,665)	(20)%
Net income (loss) on financial assets and liabilities measured at fair value	1,093	(1,613)	2,706	n.s.
Net financial interest and commissions	(4,893)	630	(5,523)	n.s.
EBT	42,614	57,096	(14,482)	(25)%
Income tax for the period	(22,038)	(20,683)	(1,355)	7%
Profit (loss) from group of assets sold and held for sale net of tax	-	-	-	n.s.
Net Profit (Loss) for the period	20,576	36,413	(15,837)	(43)%
Net Profit(Loss) attributable to non-controlling interests	(2,015)	685	(2,700)	n.s.
Net Profit (Loss) for the period attributable to the shareholders of the Parent Company	18,561	37,098	(18,537)	(50)%
NRIs including in the result for the period attributable to the shareholders of the Parent Company ⁽³⁾	(26,346)	(1,388)	(24,958)	n.s.
NRIs including in the result for the period attributable to non-controlling interests	(196)	(202)	6	(3)%
Net Profit (Loss) for the period attributable to the shareholders of the Parent Company excluding NRIs	44,711	38,284	6,427	17%
Net Profit(Loss) attributable to non-controlling interests excluding NRIs	2,211	(483)	2,694	n.s.
Earnings per share (Euro)	0.24	0.47	(0.23)	(49)%
Earnings per share excluding NRIs (Euro)	0.57	0.49	0.08	16%

⁽¹⁾ In order to enhance the comparability of the figures for 2019 with the figures in the income statement, 2018 is represented on a like-for-like basis, so adding Altamira's third quarter 2018 to the doValue perimeter.

⁽²⁾ Non-recurring items in Operating expenses include the costs connected with the acquisition of Altamira Asset Management S.A.. And those incurred for the Group reorganisation project

⁽³⁾ Non-recurring items included below EBITDA refer to (i) termination incentive plans that have therefore been reclassified from personnel expenses, and (ii) income taxes mainly referred to the cancellation of deferred tax assets following the change in the rate as part of the debanking process

New servicing contracts

On July 30, 2019, doValue announced that it had reached two new agreements for the management of loan portfolios in the Italian market in the total amount of about €1.5 billion.

The first contract, with Iccrea Banca (Parent Company of the Iccrea Cooperative Banking Group), provides for the management by doValue, as Special and Master Servicer, of a portfolio of non-performing loans worth around €1.2 billion (in terms of gross book value). The second agreement, with an alternative asset manager, provides for the management by doValue of a portfolio of non-performing loans worth about €0.3 billion.

These agreements join to two additional management agreements, one reached with a leading Italian bank, for a portfolio of impaired loans worth around €0.9 billion, the other with a leading NPL investor, which bring the total value of new servicing contracts for the Italian market in 2019 to around €3 billion.

Significant events after the end of the period

Credit servicing agreement with Alpha Bank in Cyprus for approximately €4.3 billion plus future assignments

On October 14, 2019, doValue announced that it had reached an agreement with Alpha Bank for the exclusive management of a Cypriot portfolio of non-performing exposures ("NPEs") and real estate assets ("REOs") for a total gross amount of about € 4.3 billion, in addition to the future flows of NPEs and REOs produced by Alpha in Cyprus.

More specifically, the agreement, subject to the approval of the Commission for the Protection of Competition of the Republic of Cyprus, includes:

- the acquisition by the doValue Group of the business line of Alpha's local NPE and REO servicing platform, which is instrumental to the implementation of an effective recovery strategy and the achievement of the appropriate level of personnel;
- the signing of a long-term servicing contract ("Service Level Agreement") for the exclusive management by the doValue Group, with terms in line with the Company's profitability, of a portfolio of REOs and NPEs backed by guarantees, in the total gross amount of about €4.3 billion, composed of a mix of corporate and retail loans originated by Alpha in Cyprus;
- the exclusive management by the doValue Group of the all future NPEs generated by Alpha Bank in Cyprus.

The agreement joins the set of long-term contracts with which doValue manages the future production of NPEs of leading financial institutions, which from today includes Alpha Bank in Cyprus as well as Santander in Spain and UniCredit in Italy. Finally, the partnership underscores the importance our geographical diversification in the southern European servicing market, one of the key features of the doValue business model.

Italfondario authorised to provide payment services pursuant to Article 114 novies paragraph 4 of Legislative Decree 385/1993 (Consolidated Banking Act)

In completion of the application procedure, which was initiated in June 2019 by the subsidiary Italfondario in order to obtain authorisation to extend operations to include granting loans to the public and to provide payment services through the establishment of earmarked assets, on October 29, 2019, the Bank of Italy issued the relevant authorisation provision.

Outlook for operations

With regard to the evolution of operations for the 2019 financial year, the Group expects to register growth in revenues and EBITDA consistent with the objective of strengthening doValue's leadership in the European credit and real estate servicing market, as envisaged by the update of the Business Plan presented on November 8, 2019.

Transactions with related parties

In compliance with the provisions of the "Rules for Transactions with Related Parties" referred to in Consob Resolution no. 17221 of March 12, 2010, as amended, any transaction with related parties and connected persons shall be approved in accordance with the procedure approved by the Board of Directors, whose most recent update was approved at the meeting held on October 17, 2018.

This document is available to the public in the "Governance" section of the company website www.doValue.it.

The universe of related parties of the Group changed near the end of the previous year following the acquisition of the Fortress Investment Group LLC ("Fortress") by SoftBank Group Corp. ("SoftBank" or "SBG"). As a result of the transaction, SBG and its subsidiaries gained ownership of the shares of Fortress, which in turn held Avio S.à r.l. doValue's majority shareholder.

Pursuant to the above Consob Regulation, no transactions of greater importance were carried out during the period.

Disclosure on the opt-out option

We inform you that doValue S.p.A. has adopted the simplified rules provided for in Articles 70, paragraph 8, and 71, paragraph 1-bis, of the Consob Issuers Regulation no. 11971/1999, subsequently amended, and has therefore exercised the option to derogate from compliance with the obligations to publish the information documents provided for in Articles 70, paragraph 6, and 71, paragraph 1, of that Regulation on the occasion of significant mergers, spin-offs, capital increases through the contribution of assets in kind, acquisitions and sales.

Statement reconciling the condensed consolidated income statement and the statutory consolidated income statement

(€/000)

Statement reconciling the reclassified consolidated income statement and the statutory income statement	First nine months	
	2019	2018 RESTATE
Servicing revenues	206,586	144,172
of which NPL revenues	173,654	144,172
o.w. Revenue from contracts with customers	157,068	144,172
o.w. Other revenue	16,586	-
of which REO revenues	32,932	-
o.w. Revenue from contracts with customers	28,182	-
o.w. Other revenue	4,750	-
Co-investment revenues	477	714
o.w. Financial (expense)/income	477	714
Ancillary and other revenues	26,289	17,038
o.w. Financial (expense)/income	51	68
o.w. Revenue from contracts with customers	739	489
o.w. Costs for services rendered	(311)	-
o.w. Other revenue	25,810	16,481
Gross Revenues	233,352	161,924
NPL Outsourcing fees	(12,396)	(16,006)
o.w. Costs for services rendered	(12,395)	(12,384)
o.w. Administrative expenses	-	(3,346)
o.w. Other operating (expense)/income	(1)	(276)
REO Outsourcing fees	(5,143)	-
o.w. Costs for services rendered	(5,143)	-
Ancillary Outsourcing fees	(5,990)	-
o.w. Costs for services rendered	(2,516)	-
o.w. Administrative expenses	(3,118)	-
o.w. Other operating (expense)/income	(356)	-
Net Revenues	209,823	145,918
Staff expenses	(89,266)	(68,092)
o.w. Personnel expenses	(89,270)	(68,092)
o.w. Other revenue	4	-
Administrative expenses	(41,785)	(21,638)
o.w. Personnel expenses	(1,515)	(484)
o.w. Administrative expenses	(41,063)	(22,675)
o.w. Costs for services rendered	(24)	-
o.w. Other revenue	817	1,521
Operating expenses	(131,051)	(89,730)
EBITDA	78,772	56,188
Impairment/Write-backs on property, plant, equipment and intangible assets	(25,455)	(3,819)
o.w. Depreciation, amortisation and impairment	(25,455)	(3,819)
Net Provisions for risks and charges	(7,456)	146
o.w. Personnel expenses	(5,962)	(1,594)
Provisions for risks and charges	(1,408)	1,874
o.w. Other operating (expense)/income	(86)	(134)
Net Write-downs of loans	553	450
o.w. Depreciation, amortisation and impairment	182	27
o.w. Other revenue	371	423
Net income (losses) from investments	-	917
o.w. Profit (loss) of equity investments	-	917
EBIT	46,414	53,882
Net income (loss) on financial assets and liabilities measured at fair value	1,093	627
o.w. Financial (expense)/income	1,093	627
Net financial interest and commissions	(4,893)	(299)
o.w. Financial (expense)/income	(4,742)	(170)
o.w. Costs for services rendered	(151)	(129)
EBT	42,614	54,210
Income tax for the period	(22,038)	(19,701)
o.w. Administrative expenses	(1,366)	(1,437)
Income tax expense	(20,672)	(18,264)
Net Profit (Loss) for the period	20,576	34,509
Minorities	(2,015)	-
Profit attributable to non-controlling interests	(2,015)	-
Net Profit (Loss) attributable to the Group	18,561	34,509

Statement reconciling the reclassified consolidated balance sheet and the statutory consolidated balance sheet

(€/000)

Statement reconciling the reclassified consolidated balance sheet and the statutory balance sheet	9/30/2019	12/31/2018
Cash and liquid securities	151,271	74,443
Cash and cash equivalents	151,271	73,444
Current financial assets	-	999
Financial assets	48,087	36,312
Non-current financial assets	34,787	36,312
Current financial assets	13,300	-
Property, plant and equipment	22,027	4,290
Property, plant and equipment	21,818	3,726
Inventories	209	564
Intangible assets	392,687	6,847
Intangible assets	392,687	6,847
Tax assets	78,392	87,355
Deferred tax assets	72,072	81,406
Other current assets	5,935	5,916
Tax assets	385	33
Trade receivables	166,304	99,224
Trade receivables	166,304	99,224
Assets on disposal	10	710
Assets held for sale	10	710
Other assets	10,336	7,855
Other current assets	9,519	7,855
Other non-current assets	817	-
TOTAL ASSETS	869,114	317,036
Financial liabilities: due to banks	408,735	-
Loans and other financing non-current	325,648	-
Loans and other financing current	83,087	-
Other financial liabilities	93,161	294
Loans and other financing non-current	62	165
Loans and other financing current	100	129
Other non-current financial liabilities	86,612	-
Other current financial liabilities	6,387	-
Trade payables	43,133	21,848
Trade payables	43,133	21,848
Tax Liabilities	56,093	11,090
Tax payables	11,135	11,069
Deferred tax liabilities	44,958	21
Employee Termination Benefits	9,047	9,577
Employee benefits	9,047	9,577
Provision for risks and charges	18,104	20,754
Provisions for risks and charges	18,104	20,754
Liabilities on disposal	-	6,532
Liabilities associated with assets held for sale	-	6,532
Other liabilities	28,572	14,152
Other current liabilities	28,572	14,152
TOTAL LIABILITIES	656,845	84,247
Share capital	41,280	41,280
Share capital	41,280	41,280
Reserves	152,612	140,915
Valuation reserve	(448)	591
Other reserves	153,060	140,324
Treasury shares	(184)	(246)
Treasury shares	(184)	(246)
Result for the period	18,561	50,840
Net profit (loss) for the period	18,561	50,840
TOTAL SHAREHOLDERS' EQUITY	212,269	232,789
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	869,114	317,036
Non-controlling interests	-	-
Non-controlling interests	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	869,114	317,036

FINANCIAL STATEMENTS

Consolidated Balance Sheet

(€/000)

ASSETS	9/30/2019	12/31/2018
NON-CURRENT ASSETS		
Intangible assets	392,687	6,847
Property, plant and equipment	21,817	3,726
Investments in associates and joint ventures	-	-
Non-current financial assets	34,787	36,312
Deferred tax assets	72,072	81,406
Other non-current assets	818	-
	522,181	128,291
CURRENT ASSETS		
Inventories	209	564
Current financial assets	13,300	999
Trade receivables	166,304	99,224
Tax assets	385	33
Other current assets	15,454	13,771
Cash and cash equivalents	151,271	73,444
	346,923	188,035
Assets held for sale	10	710
TOTAL ASSETS	869,114	317,036
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	41,280	41,280
Valuation reserve	(449)	591
Other reserves	153,060	140,324
Treasury shares	(184)	(246)
Net profit (loss) for the period	18,561	50,840
Equity attributable to shareholders of the Parent Company	212,268	232,789
Non-controlling interests	-	-
TOTAL SHAREHOLDERS' EQUITY	212,268	232,789
NON-CURRENT LIABILITIES		
Loans and other financing	325,710	165
Other non-current financial liabilities	86,612	-
Employee benefits	9,047	9,577
Provisions for risks and charges	18,104	20,754
Deferred tax liabilities	44,958	21
	484,431	30,517
CURRENT LIABILITIES		
Loans and other financing	83,187	129
Other current financial liabilities	6,387	-
Trade payables	43,133	21,848
Tax payables	11,135	11,069
Other current liabilities	28,573	14,152
	172,415	47,198
Liabilities associated with assets held for sale	-	6,532
TOTAL LIABILITIES	656,846	84,247
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	869,114	317,036

Consolidated Income Statement

(€/000)

	9/30/2019	9/30/2018
Revenue from contracts with customers	185,989	144,661
Other revenue	47,982	18,179
Total revenue	233,971	162,840
Costs for services rendered	(20,540)	(12,513)
Personnel expenses	(96,747)	(70,170)
Administrative expenses	(45,548)	(29,251)
Other operating (expense)/income	(86)	(163)
Depreciation, amortisation and impairment	(25,273)	(1,771)
Provisions for risks and charges	(1,408)	1,876
Total costs	(189,602)	(111,992)
Operating income	44,369	50,848
Financial (expense)/income	(3,120)	1,396
Profit (loss) of equity investments	-	917
Profit (loss) before tax	41,249	53,161
Income tax expense	(20,673)	(18,397)
Net Profit (loss) from continuing operations	20,576	34,764
Net income (expense) of assets held for sale	-	-
Net profit (loss) for the period	20,576	34,764
Of which:		
Profit attributable to the shareholders of the Parent Company	18,561	34,764
Profit attributable to non-controlling interests	2,015	-

Consolidated statement of comprehensive income

(€/000)

Items	9/30/2019	9/30/2018
Net profit (loss) for the period	20,576	34,764
Other comprehensive income after tax not recyclable to profit or loss	(460)	166
Defined benefit plans	(460)	166
Other comprehensive income after tax recyclable to profit or loss	(579)	(2)
Cash flow hedges	(575)	-
Financial assets (other than equity instruments) measured at fair value through comprehensive income	(4)	(2)
Total other comprehensive income after tax	(1,039)	164
Comprehensive income	19,537	34,928
Consolidated comprehensive income attributable to non-controlling interests	2,015	-
Consolidated comprehensive income attributable to shareholders of the Parent Company	17,522	34,928

Consolidated statement of changes in shareholders' equity

At 30/09/2019

(€/000)

	Balance as at 12/31/2018		Changes in opening balance		Balance as at 1/1/2019	Allocation of profit from previous year		Changes during the year						Comprehensive income as at 9/30/2019	Shareholders' equity pertaining to Shareholders of Parent Company as at 9/30/2019	Shareholders' equity pertaining to non-controlling interests as at 9/30/2019	Total Shareholders' equity as at 9/30/2019
	Balance as at 12/31/2018	Changes in opening balance	Balance as at 1/1/2019	Reserves		Dividends and other payouts	Changes in reserves	Equity transactions									
								Issue of new shares	Acquisition of treasury shares	Distribution of extraordinary dividends	Change in equity instruments	Derivatives on own shares	Stock options				
Share capital:																	
- ordinary shares	41,280	-	41,280	-	-	-	-	-	-	-	-	-	-	-	41,280	-	41,280
Reserves:																	
- from profits	13,993	-	13,993	-	-	-	-	-	-	-	-	-	-	-	18,609	-	18,609
- other	126,331	-	126,331	14,576	-	(5,484)	-	-	-	-	-	4,616	-	-	134,451	-	134,451
Valuation reserves	591	-	591	-	-	-	-	-	-	-	-	(972)	-	-	(449)	-	(449)
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	(246)	-	(246)	-	-	-	-	-	-	-	-	-	62	-	(184)	-	(184)
Net profit (loss) for the period	50,840	-	50,840	(14,576)	(36,264)	-	-	-	-	-	-	-	-	18,561	18,561	-	18,561
Equity attributable to shareholders of the Parent Company	232,789	-	232,789	-	(36,264)	(5,484)	-	-	-	-	-	3,706	-	17,521	212,268	-	212,268
Non-controlling interests	-	-	-	-	-	(30,920)	-	-	-	-	-	-	28,905	2,015	-	-	-
Total Shareholders' equity	232,789	-	232,789	-	(36,264)	(36,404)	-	-	-	-	-	3,706	28,905	19,536	212,268	-	212,268

At 31/12/2018

(€/000)

	Balance as at 12/31/2017	Changes in opening balance	Balance as at 1/1/2018	Allocation of profit from previous year		Changes during the year								Comprehensive income at 12/31/2018	Shareholders' equity pertaining to shareholders of Parent Company as at 12/31/2018	Shareholders' equity pertaining to non-controlling interests as at 12/31/2018	Total Shareholders' equity as at 9/30/2019
				Reserves	Dividends and other payouts	Changes in reserves	Equity transactions					Changes in equity investments					
							Issue of new shares	Acquisition of treasury shares	Distribution of extraordinary dividends	Change in equity instruments	Derivatives on own shares		Stock options				
Share capital:																	
- ordinary shares	41,280	-	41,280	-	-	-	-	-	-	-	-	-	-	41,280	-	-	41,280
Reserves:																	
- from profits	10,476	1,140	11,616	-	-	-	(31)	-	-	-	-	2,408	-	13,993	-	-	13,993
- other	108,874	(36)	108,838	14,087	-	-	-	-	-	-	-	3,406	-	126,331	-	-	126,331
Valuation reserves	1,350	(1,125)	225	-	-	-	-	-	-	-	-	-	-	366	591	-	591
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	(277)	-	(277)	-	-	-	31	-	-	-	-	-	-	-	-	-	(246)
Net profit (loss) for the period	44,994	-	44,994	(14,087)	(30,907)	-	-	-	-	-	-	-	-	50,840	50,840	-	50,840
Equity attributable to shareholders of the Parent Company	206,697	(21)	206,676	-	(30,907)	-	-	-	-	-	-	5,814	-	51,206	232,789	-	232,789
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Shareholders' equity	206,697	(21)	206,676	-	(30,907)	-	-	-	-	-	-	5,814	-	51,206	232,789	-	232,789

At 30/09/2018

(€/000)

	Balance as at 12/31/2017	Changes in opening balance	Balance as at 1/1/2018	Allocation of profit from previous year		Changes during the year								Comprehensive income at 9/30/2018	Shareholders' equity pertaining to shareholders of Parent Company as at 9/30/2018	Shareholders' equity pertaining to non-controlling interests as at 9/30/2018	Total Shareholders' equity as at 9/30/2018
				Reserves	Dividends and other payouts	Changes in reserves	Equity transactions					Changes in equity investments					
							Issue of new shares	Acquisition of treasury shares	Distribution of extraordinary dividends	Change in equity instruments	Derivatives on own shares		Stock options				
Share capital:																	
- ordinary shares	41,280	-	41,280	-	-	-	-	-	-	-	-	-	-	41,280	-	-	41,280
Reserves:																	
- from profits	10,476	1,140	11,616	-	-	-	(31)	-	-	-	-	2,408	-	13,993	-	-	13,993
- other	108,874	(36)	108,838	14,087	-	-	-	-	-	-	-	1,427	-	124,352	-	-	124,352
Valuation reserves	1,350	(1,125)	225	-	-	-	-	-	-	-	-	-	-	164	389	-	389
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	(277)	-	(277)	-	-	-	31	-	-	-	-	-	-	-	(246)	-	(246)
Net profit (loss) for the period	44,994	-	44,994	(14,087)	(30,907)	-	-	-	-	-	-	-	-	34,764	34,764	-	34,764
Equity attributable to shareholders of the Parent Company	206,697	(21)	206,676	-	(30,907)	-	-	-	-	-	-	3,835	-	34,928	214,532	-	214,532
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Shareholders' equity	206,697	(21)	206,676	-	(30,907)	-	-	-	-	-	-	3,835	-	34,928	214,532	-	214,532

Consolidated cash flow statement – indirect method –

(€/000)

	09/30/2019	09/30/2018
<u>OPERATING ACTIVITIES</u>		
Profit (loss) for the period attributable to shareholders of the Parent Company (+/-)	18,561	34,764
<u>Adjustments to reconcile the net result with the net financial flows:</u>		
Unsettled taxes, duties and tax credits	23,642	12,882
Capital gains/losses on financial assets/liabilities held for trading and on financial assets/liabilities measured at fair through profit or loss (+/-)	(1,093)	(627)
Depreciation, amortisation and impairment	25,273	1,771
Change in net provisions for risks and charges	1,408	(1,876)
Profit/loss on equity interests and investments	-	(917)
Costs for share-based payments	3,707	3,836
<u>Change in working capital</u>		
Change in trade receivables	25,448	786
Change in trade payables	7,196	(4,675)
<u>Change in financial assets and liabilities</u>		
Financial assets measured at fair value through other comprehensive income	999	9
Other assets mandatorily measured at fair value	2,294	(12,341)
Financial assets measured at amortised cost	(6,856)	(207)
Financial liabilities measured at amortised cost	11,561	110
Payment of income taxes	(8,201)	-
Other changes in other assets/other liabilities	(31,857)	(4,302)
CASH FLOWS GENERATED BY OPERATIONS	72,081	29,213
<u>INVESTING ACTIVITIES</u>		
Sales of equity investments	-	2,610
Dividends collected on equity investments	-	1,186
Sales of inventories	809	276
Purchases of property, plant and equipment	(967)	(1,058)
Purchases of intangible assets	(3,793)	(2,192)
Purchases of subsidiaries and business units	(360,998)	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(364,949)	822
<u>FUNDING ACTIVITIES</u>		
Distribution of dividends and other	(36,264)	(30,908)
Loans obtained	406,959	-
NET CASH FLOWS USED IN FUNDING ACTIVITIES	370,695	(30,908)
NET LIQUIDITY IN THE PERIOD	77,827	(872)
<u>RECONCILIATION</u>		
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	73,444	49,361
NET LIQUIDITY IN THE PERIOD	77,827	(872)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	151,271	48,488

Reconciliation of the current consolidated balance sheet and the consolidated balance sheet under Circular 262/05 – comparative figures at December 31, 2018

(€/000)		12/31/2018
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		6,847
100A	<i>o.w. Intangible assets</i>	6,847
	<i>o.w. Goodwill</i>	-
100A	<i>o.w. Intangible assets</i>	-
Property, plant and equipment		3,726
90A	<i>o.w. Property, plant and equipment</i>	2,246
130A	<i>o.w. Other assets - o.w. Improvements on goods of third party</i>	1,480
Investments in associates and joint ventures		-
70A	<i>o.w. Equity investments</i>	-
Non-current financial assets		36,312
20A	<i>o.w. Financial assets measured at fair value through profit or loss</i>	34,250
40Aa	<i>o.w. Financial assets measured at amortised cost a) Loans and receivables with banks</i>	98
40Ab	<i>o.w. Financial assets measured at amortised cost b) Loans and receivables with custome</i>	1,964
Deferred tax assets		81,406
110A	<i>o.w. Tax assets</i>	81,406
TOTAL NON-CURRENT ASSETS		128,291
CURRENT ASSETS		
Inventories		564
	<i>o.w. Property, plant and equipment used in the business: breakdown of assets - Other in</i>	564
Current financial assets		999
30A	<i>o.w. Financial assets measured at fair value through comprehensive income</i>	999
Trade receivables		99,224
130A	<i>o.w. Other assets - Trade receivable - invoices issued and to be issued</i>	99,224
Tax assets		33
110A	<i>o.w. Tax assets</i>	33
Other current assets		13,771
130A	<i>o.w. Other assets: tax items</i>	5,916
130A	<i>o.w. Other assets: other accrued income and prepaid expenses</i>	7,855
Cash and cash equivalents		73,444
10A	<i>Cash and cash equivalents</i>	15
40Aa	<i>o.w. Financial assets measured at amortised cost a) Loans and receivables with banks</i>	73,429
TOTAL CURRENT ASSETS		188,035
Assets held for sale		710
120A	<i>Non-current assets and disposal groups held for sale</i>	710
TOTAL ASSETS		317,036

(Cont.)

(€/000)

SHAREHOLDERS' EQUITY AND LIABILITIES		12/31/2018
Share capital		41,280
170	<i>Share capital</i>	41,280
Valuation reserve		591
120	<i>Valuation reserves</i>	591
Other reserves		140,324
150P	<i>Reserves</i>	140,324
Treasury shares		(246)
180	<i>Treasury shares (-)</i>	(246)
Net profit (loss) for the period		50,840
200P	<i>Net profit (loss) for the period (+/-)</i>	50,840
Equity attributable to shareholders of the Parent Company		232,789
Non-controlling interests		-
TOTAL SHAREHOLDERS' EQUITY		232,789
<u>NON-CURRENT LIABILITIES</u>		
Loans and other financing		165
10Pa	<i>o.w. Financial liabilities: a) Due to banks</i>	-
10Pb	<i>o.w. Financial liabilities measured at amortised cost b) Due to customers</i>	165
Other non-current financial liabilities		-
10Pb	<i>o.w. Financial liabilities measured at amortised cost b) Due to customers</i>	-
Employee benefits		9,577
90P	<i>Employee termination benefits</i>	9,577
Provisions for risks and charges		20,754
100P	<i>Provisions for risks and charges</i>	20,754
Deferred tax liabilities		21
60P	<i>Tax liabilities</i>	21
TOTAL NON-CURRENT LIABILITIES		30,517
<u>CURRENT LIABILITIES</u>		
Loans and other financing		129
10Pa	<i>o.w. Financial liabilities: a) Due to banks</i>	-
10Pb	<i>o.w. Financial liabilities measured at amortised cost b) Due to customers</i>	129
Trade payables		21,848
80P	<i>o.w. Other liabilities - Trade liabilities - invoices received and to be received</i>	21,848
Tax payables		11,069
60P	<i>o.w. Tax liabilities</i>	8,168
80P	<i>o.w. Other liabilities tax liabilities</i>	2,901
Other current liabilities		14,152
80P	<i>o.w. Other liabilities - Other liabilities due to employees</i>	14,152
TOTAL CURRENT LIABILITIES		47,198
Liabilities associated with assets held for sale		6,532
70P	<i>o.w. Liabilities associated with non-current assets and disposal groups held for sale</i>	6,532
TOTAL LIABILITIES		84,247
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		317,036

Reconciliation of the current consolidated income statement and the consolidated income statement under Circular 262/05 – comparative figures at September 30, 2018

(€/000)

		9/30/2018
Revenue from contracts with customers		144,661
40	o.w. Fee and commission income	144,661
Other revenue		18,179
230	o.w. Other operating expense and income	18,179
TOTALE REVENUES		162,840
Costs for services rendered		(12,513)
50	o.w. Fee and commission expense	(12,513)
Personnel expenses		(70,170)
190a	o.w. Administrative costs: a) Staff expenses	(70,170)
Administrative expenses		(29,251)
190b	o.w. Administrative costs: b) Other administrative expense	(29,251)
Other operating (expense)/income		(163)
230	o.w. Other operating expense and income	(163)
Depreciation, amortisation and impairment		(1,771)
210	Impairment/write-backs on property, plant and equipment	(462)
220	Impairment/write-backs on intangible assets	(1,079)
230	o.w. Other operating expense and income	(257)
130	Net losses/recoveries on impairment for credit risk	27
100	Gains (losses) on disposal and repurchase of:	-
Provisions for risks and charges		1,876
200	Net provisions for risks and charges	1,876
TOTAL COSTS		(111,992)
OPERATING INCOME		50,848

(Cont.)

Financial (expense)/income		1,396
10	o.w. Interest income and similar revenues	781
20	o.w. Interest expense and similar charges	(12)
110	Gains and losses on financial assets/liabilities at fair value through profit or loss	627
Profit (loss) of equity investments		917
250	Profit (Loss) of equity investments	917
280	Gains (losses) on disposal of investments	-
70	Dividend income and similar revenue	-
PROFIT (LOSS) BEFORE TAX		53,161
Income tax expense		(18,397)
300	Income tax expense from continuing operations	(18,397)
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS		34,764
Net income (expense) of assets held for sale		-
320	Profit (loss) after tax from discontinued operations	-
NET PROFIT (LOSS) FOR THE PERIOD		34,764



CERTIFICATION OF THE FINANCIAL REPORTING OFFICER



Certification pursuant article 154 BIS, paragraph 2 of Italian Legislative Decree no. 58 of 24 February 1998 (the Consolidated Financial Law)

Pursuant to Article 154 bis, paragraph 2, of the "Consolidated Law on Finance", Mrs Elena Gottardo, in her capacity as the Financial Reporting Officer with preparing the financial reports of doValue S.p.A, certifies that the accounting information contained in this document is consistent with the data in the supporting documents and the Group's books of accounts and other accounting records.

Rome, November 07, 2019



Elena Gottardo

Financial Reporting Officer