

# INTERIM REPORT ON OPERATIONS

**AT 30/09/2019**

This English version of Tinexta's Interim Report on Operations at 30/09/2019 is made available to provide non-Italian speakers a translation of the original document. Please note that in the event of any inconsistency or discrepancy between the English version and the Italian version, the original Italian version shall prevail.



**TINEXTA**

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## COMPANY DATA and COMPOSITION OF CORPORATE GOVERNANCE BODIES

### Parent Company's Registered Office

TINEXTA S.p.A.  
Piazza Sallustio 9  
00187 Rome Italy

### Statutory Information about the Parent Company

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

### Corporate governance bodies currently in office

#### Board of Directors

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

#### Control and Risks and Related Parties Committee

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

#### Remuneration Committee

Giada Grandi	Chairman
Riccardo Ranalli	
Paola Generali	
Lorena Pellissier	
Eugenio Rossetti	

#### Board of Statutory Auditors

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

#### Independent Auditors

KPMG S.p.A.

#### Manager responsible for the preparation of the corporate accounting documents

Nicola Di Liello

#### Registered and Operating Office

Piazza Sallustio 9 - 00187 Rome

#### Operating Offices

Via Principi d'Acaia, 12 - 10143 Turin  
Via Meravigli, 7 - 20123 Milan  
Via Bazzanese no. 32/7, 40033 Casalecchio di Reno (BO)

## SUMMARY OF GROUP RESULTS

Summary economic data (In thousands of Euro)	30/09/2019	30/09/2018 <sup>1</sup>	Change	of which change for IFRS 16 <sup>2</sup>	Change %	of which change for IFRS 16 <sup>2</sup>
Revenues	181,169	169,742	11,427	0	6.7%	0.0%
EBITDA before Virtual Stock Options <sup>3</sup>	49,743	44,561	5,182	2,594	11.6%	5.8%
EBITDA	46,166	44,125	2,041	2,594	4.6%	5.9%
Operating Profit	29,645	31,727	-2,082	83	-6.6%	0.3%
Net Profit	19,107	21,140	-2,033	-125	-9.6%	-0.6%
Adjusted Net Profit	26,002	24,880	1,122	-125	4.5%	-0.5%
Free Cash Flow	36,634	29,617	7,017	2,512	23.7%	8.5%

Summary equity-financial data (In thousands of Euro)	30/09/2019	31/12/2018 <sup>4</sup>	Change	of which change for IFRS 16 <sup>2</sup>	% Change	of which change for IFRS 16 <sup>2</sup>
Share capital	46,890	46,890	0	n.a.	0.0%	n.a.
Shareholders' Equity	143,059	145,376	-2,317	-125	-1.6%	-0.1%
Net Financial Indebtedness	129,517	124,946	4,571	14,448	3.7%	11.6%

Since 1 January 2019, the Group has adopted IFRS 16 "Leases", which has led to changes in accounting policies and in some cases adjustments to the amounts entered in the Financial Statements. The 2018 comparative data have not been restated, while the data for the period under review reflect the application of the aforementioned standard. In order to ensure effective comparability with the 2018 economic, equity and financial results, the effects on the comparative analyses deriving from the application of IFRS 16 adopted from 1 January 2019 are explained.

<sup>1</sup>The comparative data as at 30 September 2018 were restated due to the completion during Fourth Quarter 2018 of activities to identify the fair values of the assets and liabilities of Warrant Hub S.p.A. and its subsidiaries, consolidated on a line-by-line basis from 1 December 2017, the completion in Fourth Quarter 2018 of the activities to identify the fair values of the assets and liabilities of AC Camerfirma S.A., consolidated on a line-by-line basis from 1 May 2018, as well as the completion during the year of activities to identify the fair values of the assets and liabilities of Comas S.r.l. and Webber S.r.l., consolidated on a line-by-line basis from 1 July 2018.

<sup>2</sup>Change for the component attributable to the adoption of IFRS 16 from 1 January 2019.

<sup>3</sup>EBITDA before Virtual Stock Options is calculated as EBITDA before provisions (recognised under "personnel costs") relating to the Virtual Stock Option Plan, approved by the Board of Directors on 14 November 2016.

<sup>4</sup>The comparative data at 31 December 2018 were re-stated in relation to the completion, in the first half, of the identification of the fair values of the assets and liabilities of Comas S.r.l. and Webber S.r.l. consolidated on a line-by-line basis from 1 July 2018, as well as of Promozioni Servizi S.r.l. consolidated on a line-by-line basis from 1 November 2018.

## INTERIM REPORT ON OPERATIONS

### GROUP ACTIVITIES

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

The Group operates through three Business Units (BUs):

1. the Digital Trust BU offers IT solutions to the market for digital identity and the dematerialisation of processes coherent with applicable regulations (including the new European eIDAS regulation of 2016) and customer and sector compliance standards, through various products and services such as certified e-mail (CEM), electronic storage, digital signature, e-invoicing, Telematic Trust Solutions and Enterprise Content Management Solutions. Digital Trust activities are provided by the Group through InfoCert S.p.A., its subsidiaries and associates, as well as Visura S.p.A.

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

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

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

On 21 December 2018, InfoCert entered into the joint venture Lux Trust S.A. (hereinafter also "LuxTrust") through the subscription of 50% of the latter's Share Capital. LuxTrust implements and integrates innovative solutions to guarantee on-line transactions, digital identity, and electronic signatures for its customers. LuxTrust manages digital identities throughout Luxembourg. The conclusion of the transaction is aimed at strengthening LuxTrust's positioning in the domestic market and laying the foundations for business development in other European markets, in particular, France, Netherlands, and Belgium.

Visura S.p.A. is active in the Digital Trust market, mainly through the sale of Telematic Trust Solutions and resale services of products such as certified e-mail, digital signature and electronic invoicing; it also offers telematic services and manages a database of approximately 450 thousand customers including professionals, professional firms, public administrations, professional associations and companies, as well as products and services in the IT sector for professional associations such as electronic filing, CAF Facile (the filing of 730 tax returns and related documents) and certified e-mail.

2. The Credit Information & Management BU provides standard and value-added services mainly aimed at supporting processes for the granting, assessment and recovery of credit in both the banking and business sectors

In relation to Credit Information & Management, the Group operates through Innolva S.p.A. (created from the merger of the companies Assicom S.p.A. and Ribes S.p.A. in 2017) and its subsidiaries Comas S.r.l. and Webber S.r.l. (acquired jointly in July 2018), Promozioni Servizi (acquired in October 2018), and Innolva Relazioni Investigative (incorporated in October 2018), as well as RE Valuta S.p.A.

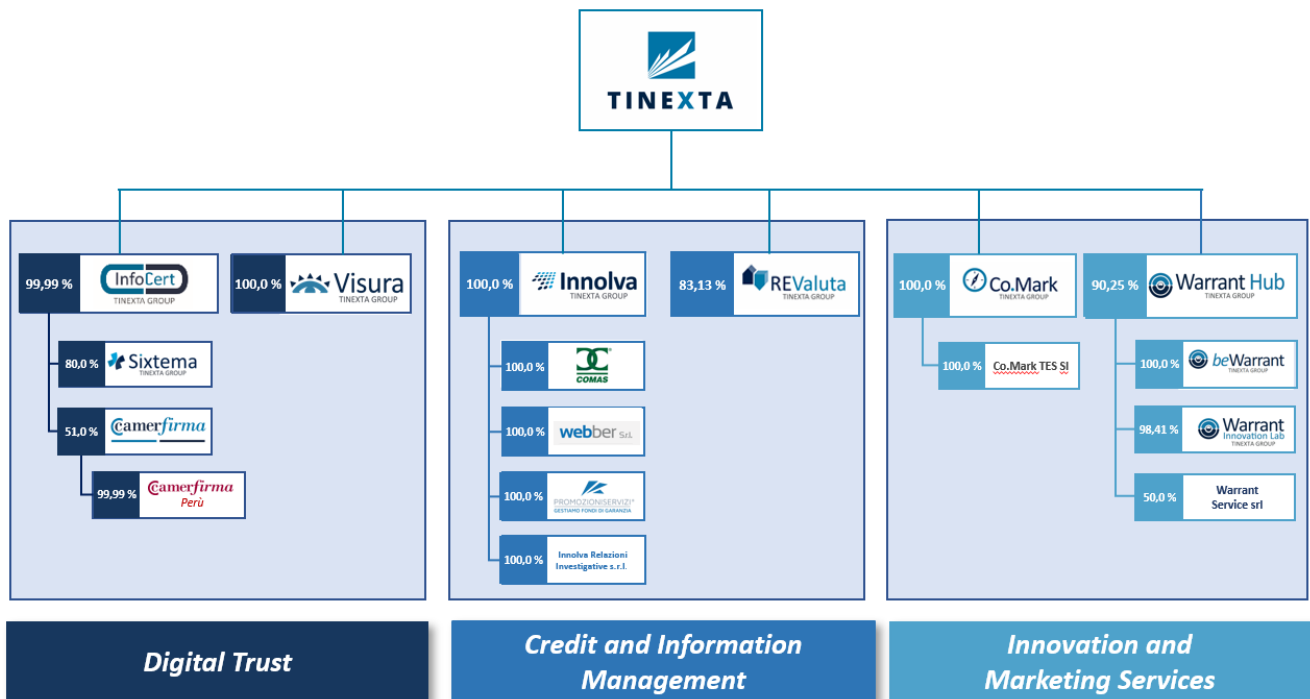
Innolva provides a complete range of IT services to support decision-making processes for the granting, assessment and recovery of credit, along with credit management and business information services, through a business model characterised by the integration of services, with the aim of supporting banks and SMEs at every stage of the credit management and recovery cycle. Since 2018, Innolva has controlled Comas and Webber, established in 1976 and 2013 respectively, and are predominantly active in the resale, through the internet, of business information such as filings with Chambers of Commerce, cadastral property registries, the automobile registry and the Registry Office, court certificates, reports on natural and legal persons and other information services. Through Promozioni Servizi S.r.l., Innolva offers advisory services to financial institutions on access to the guarantee fund for SMEs.

RE Valuta identifies and provides assessment services to define the value of real estate collateral during the granting of loans or during the process of assessing the value of real estate assets recognised in the Financial Statements, primarily for banking and fund customers.

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

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

The chart that follows outlines the structure of the Tinexta Group, only including controlling interests held as at 30 September 2019.



## KEY EVENTS OF THE PERIOD

Below is a summary of the most significant events that occurred during the year until 30 September 2019:

1. On **31 January 2019**, the sale of the Eurofidi business unit by Innolva S.p.A. to its subsidiary Promozioni Servizi S.r.l. was finalised with a notary deed. Commercial and organisational needs and opportunities prompted the project to concentrate in a single entity the offer to the market of consulting services for access to the Central Guarantee Fund.
2. On **28 February 2019**, Co.Mark S.p.A., a company specialising in Temporary Export Management services, appointed the new Board of Directors, composed of the following 5 members: Giorgio Tabellini, confirmed as Chairman, Aldo Gallo, Eugenio Rossetti, Pier Andrea Chevillard and Marco Sanfilippo, appointed Chief Executive Officer. The appointments conclude a process started in April 2016 with the acquisition of controlling interest in Co.Mark by Tinexta Group that progressed gradually and in constant agreement with the outgoing Shareholders.
3. On **28 March 2019** Tinexta S.p.A. took out a financing for up to a maximum of € 50 million with the Intesa Sanpaolo Group to finance the acquisition of the minority shares of some of the subsidiaries and to meet the other financial commitments, including the extinguishment of the loan with the controlling shareholder Tecno Holding S.p.A. The financing, at floating rate and expiring on 31 December 2025, was structured by Banca IMI, the investment bank of the Intesa Sanpaolo Group, which also acted as Mandated Lead Arranger in the transaction. The loan was fully drawn down as at 30 September 2019.
4. On **18 April 2019**, the Shareholders' Meeting of Tinexta S.p.A. resolved the distribution of a dividend for the year 2018 of € 0.228 per Share. The total amount to be distributed in the form of a dividend, taking account of the Shares issued as of said date (46,890,120), was equal to € 10,691 thousand. The Ordinary

Shareholders' Meeting also resolved to retain the remainder of the Profit for the Year (€ 9,850 thousand), less 5% to be allocated to the legal reserve, amounting to € 1,081 thousand.

5. On **30 April 2019**, pursuant to the option contract signed on 30 November 2017 between Tinexta S.p.A. and the minority Shareholders of Warrant Hub S.p.A., Workyng S.r.l. and Roma S.r.l., the options were exercised on 20.25% of the capital of Warrant Hub; therefore, Tinexta holds 90.25% of the Share Capital of Warrant Hub. The consideration for the purchase of the 9.75% stake from Workyng S.r.l. was € 14,881 thousand. For the purchase of 10.5% of the capital from Roma S.r.l., an amount of € 8,013 thousand was paid on the same date (calculated on 50% of the shares acquired), and for the remaining portion, an amount will be paid in 2020 based on the 2019 results, by applying a multiple to the annual EBITDA of the consolidated Financial Statements of Warrant Hub, taking into account the net financial position and based on the growth rates recorded on the basis of a formula agreed in the relevant contracts. Following this transaction, Workyng S.r.l. continues to hold 9.75% of the capital of Warrant Hub, which will be subject to Put/Call options in 2020 at a price calculated by applying a multiple to the annual EBITDA of the 2019 consolidated Financial Statements of Warrant Hub, taking into account the net financial position and based on the growth rates recorded on the basis of a formula agreed in the relevant contracts. Tinexta S.p.A. financed this transaction through the partial use of the credit line subscribed on 28 March 2019 with the Intesa Sanpaolo Group.
6. In the first few days of **May 2019**, the subsidiary Visura S.p.A. suffered a cyber attack which required precautionary intervention on roughly 13% of the certified e-mail accounts sold by said entity and managed by InfoCert, targeted at restoring operations and ensuring the security of the services provided. The appropriate in-depth analyses were carried out and the necessary reports sent to the competent authorities. At the date of this Interim Report on Operations, preliminary proceedings are in progress, initiated by the Italian Data Protection Authority against Visura S.p.A. and InfoCert S.p.A. and by AgID (*Agenzia per l'Italia Digitale*) against InfoCert.
7. On **28 June 2019**, Tinexta S.p.A. repaid, within the terms set forth contractually, the entire loan of € 25 million extended by the Controlling Shareholder Tecno Holding S.p.A., through use of the Crédit Agricole loan for € 15 million entered into on 4 December 2018 and, for the remaining portion, through use of the loan entered into with the Intesa Sanpaolo Group on 28 March 2019.
8. On **28 June 2019**, Camerfirma Colombia S.A.S. was incorporated by the subsidiary Camerfirma S.A. and private Shareholders, with its registered office in Bogotá (Colombia). The subscribed capital is COL\$ 1,200,000,000, for a total of 6,000 shares issued. Camerfirma S.A. subscribed 25% of the Share Capital for a total value of COL\$ 300,000,000 (1,500 shares), still not paid at 30 September 2019.
9. On **19 July 2019**, the options were exercised on the remaining 10% of the Share Capital of Co.Mark S.p.A. for an amount of € 5,219 thousand, as defined in the Option Contract entered into at the time of acquisition. Thanks to this transaction, Tinexta reached owning 100% of Co.Mark S.p.A. The transaction was financed by using the loan stipulated with the Intesa Sanpaolo Group on 28 March 2019.
10. On the same date, Tinexta concluded two interest rate swaps with Banca Intesa Sanpaolo. The transactions were entered into to hedge part of the floating rate loan stipulated with the Intesa Sanpaolo Group on 28 March 2019. As a result of these transactions, Tinexta synthetically fixed the cost of financing, equal to € 38,113 thousand, at a fixed rate of 1.237%.
11. On **24 July 2019**, Tinexta completed another interest rate swap with Crédit Agricole. The transaction was entered into to hedge the floating rate loan contracted on 4 December 2018 for a total of € 15 million. Through this transaction, Tinexta synthetically fixed the total cost of the entire debt of € 15 million at a fixed rate of 1.28%.
12. On **30 July 2019**, Tinexta S.p.A., pursuant to the purchase contract signed on 9 June 2016, exercised the options on the remaining 40% of the Share Capital of Visura S.p.A., thereby obtaining the complete



ownership of the company. The consideration was set at € 15,372 thousand. The transaction was financed by using € 11,887 thousand of the loan concluded with the Intesa Sanpaolo Group on 28 March 2019 and with internal resources for the remaining amount.

13. On **19 September 2019**, Tinexta S.p.A. received from Cedacri S.p.A. the request to exercise the final tranche of warrants held by the latter, for the maximum envisaged number of 317,000 warrants, corresponding to 317,000 new Ordinary Shares of Tinexta S.p.A. (equal to 0.676% of the latter's Share capital) at the subscription price of € 3.40 per Share, determined in accordance with the Regulation of "Tecnoinvestimenti Warrants 2016-2019". At the same time as the request, Cedacri S.p.A. made a payment of € 1,077,800, recognised under equity reserves as at 30 September 2019.

## DEFINITION OF PERFORMANCE INDICATORS

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

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

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

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

**EBITDA before Virtual Stock Options:** is calculated as EBITDA before provisions (recognised under "personnel costs") relating to the Virtual Stock Option Plan.

**Adjusted EBITDA:** is calculated as EBITDA before virtual Stock Options before non-recurring components.

**Operating profit:** although the IFRS do not contain a definition of Operating profit, it is presented in the Statement of Profit/(Loss) and Other comprehensive income and is calculated by subtracting "Amortisation/depreciation", "Provisions" and "Impairment" from EBITDA.

**Adjusted operating profit:** is calculated as "Operating profit" before provisions (recognised under "personnel costs") relating to the Virtual Stock Option Plan and before the amortisation of the Other intangible assets that emerged at the time of allocation of the price paid in Business Combinations.

**Adjusted Net profit:** is calculated as "Net profit" before non-recurring components, the provisions relating to the Virtual Stock Option Plans and amortisation of other intangible assets that emerged at the time of allocation of the price paid in business combinations, net of the associated tax effects. This indicator reflects the Group's

economic performance, net of non-recurring factors that are not directly attributable to the activities and operation of its core business.

**Adjusted EPS:** obtained from the ratio of Adjusted net profit and the weighted average number of Ordinary Shares outstanding during the period.

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

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

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

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

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

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

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

**Net invested capital:** is the algebraic sum of Net non-current assets and Net Working Capital.

## GROUP ECONOMIC RESULTS

The Group closed the first nine months of 2019 with Revenues of € 181,169 thousand. EBITDA before Virtual Stock Options amounted to € 49,743 thousand, equal to 27.5% of Revenues, while EBITDA came to € 46,166 thousand, 25.5% of Revenues. Operating profit and Net profit amounted to € 29,645 thousand and € 19,107 thousand respectively, equal to 16.4% and 10.5% of Revenues.

Since 1 January 2019, the Group has adopted IFRS 16 “Leases”, which has led to changes in accounting policies and in some cases adjustments to the amounts entered in the Financial Statements. In order to ensure effective comparability with the results of the first nine months of 2018, the effects on the comparative analyses arising from application of the aforementioned standard from 1 January 2019 are illustrated.

Abbreviated Consolidated Income Statement (in thousands of Euro)	30/09/2019	%	30/09/2018 <sup>5</sup>	%	Change	of which change for IFRS 16	% Change	of which change % for IFRS 16
Revenues	181,169	100.0%	169,742	100.0%	11,427	-	6.7%	0.0%
EBITDA before Virtual Stock Options	49,743	27.5%	44,561	26.3%	5,182	2,594	11.6%	5.8%
EBITDA	46,166	25.5%	44,125	26.0%	2,041	2,594	4.6%	5.9%
Operating profit	29,645	16.4%	31,727	18.7%	-2,082	83	-6.6%	0.3%
Net profit	19,107	10.5%	21,140	12.5%	-2,033	-125	-9.6%	-0.6%

Revenues rose by € 11,427 thousand compared to the first nine months of 2018, or 6.7%. EBITDA before Virtual Stock Options rose by € 5,182 thousand (11.6%) while EBITDA increased by € 2,041 thousand (4.6%). Operating profit fell by € 2,082 thousand (-6.6%), as did Net profit, down by € 2,033 thousand (-9.6%). Operating profit and Net profit were impacted by the provision relating to the Virtual Stock Options Plan targeted at the Key Management Personnel of Tinexta S.p.A. approved by the Board of Directors on 14 November 2016. This provision, which arranged for the disbursement of deferred sums corresponding to the growth in the value of Tinexta’s Shares and, consequently, to the creation of value for Shareholders, was higher by € 3,142 thousand with respect to 2018.

The results reflect the expansion of the Group’s perimeter compared to the first nine months of 2018, with the introduction of:

- Camerfirma and its subsidiary Camerfirma Perù, consolidated as of 1 May 2018.
- Comas and Webber, consolidated as of 1 July 2018;
- Promozioni Servizi, consolidated as of 1 November 2018.

It is worthwhile noting the deconsolidation, following the transfer of control of Creditreform Assicom Ticino (now Creditreform GPA Ticino) as of 1 June 2018. Starting from this date, the investment is accounted for using the equity method on the associated stake of 30%.

<sup>5</sup>The comparative data of the first nine months of 2018 were restated due to the completion during Fourth Quarter 2018 of activities to identify the fair values of the assets and liabilities of Warrant Hub S.p.A. and its subsidiaries, consolidated on a line-by-line basis from 1 December 2017, the completion in Fourth Quarter 2018 of the activities to identify the fair values of the assets and liabilities of AC Camerfirma S.A., consolidated on a line-by-line basis from 1 May 2018, as well as the completion during the year of activities to identify the fair values of the assets and liabilities of Comas S.r.l. and Webber S.r.l., consolidated on a line-by-line basis from 1 July 2018.

The following table provides details of the income statement items for the first nine months of 2019, compared with the same period of the previous year.

Consolidated Income Statement (in thousands of Euro)	30/09/2019	%	30/09/2018	%	Change	of which change for IFRS 16	% Change	of which change % for IFRS 16
<b>Revenues</b>	<b>181,169</b>	<b>100.0%</b>	<b>169,742</b>	<b>100.0%</b>	<b>11,427</b>	<b>0</b>	<b>6.7%</b>	<b>0.0%</b>
<b>Total Operating costs</b>	<b>131,426</b>	<b>72.5%</b>	<b>125,181</b>	<b>73.7%</b>	<b>6,244</b>	<b>-2,594</b>	<b>5.0%</b>	<b>-2.1%</b>
Costs of raw materials	5,133	2.8%	4,008	2.4%	1,124	0	28.1%	0.0%
Service costs	59,474	32.8%	57,686	34.0%	1,788	-2,448	3.1%	-4.2%
Personnel costs*	58,794	32.5%	55,653	32.8%	3,141	-147	5.6%	-0.3%
Contract costs	5,936	3.3%	6,451	3.8%	-515	0	-8.0%	0.0%
Other operating costs	2,089	1.2%	1,382	0.8%	707	0	51.1%	0.0%
<b>EBITDA before Virtual Stock Options</b>	<b>49,743</b>	<b>27.5%</b>	<b>44,561</b>	<b>26.3%</b>	<b>5,182</b>	<b>2,594</b>	<b>11.6%</b>	<b>5.8%</b>
Virtual Stock Options provision*	3,577	2.0%	436	0.3%	3,142	0	720.7%	0.0%
<b>EBITDA</b>	<b>46,166</b>	<b>25.5%</b>	<b>44,125</b>	<b>26.0%</b>	<b>2,041</b>	<b>2,594</b>	<b>4.6%</b>	<b>5.9%</b>
Depreciation, amortisation, provisions and impairment	16,520	9.1%	12,398	7.3%	4,123	2,511	33.3%	20.3%
<b>Operating profit</b>	<b>29,645</b>	<b>16.4%</b>	<b>31,727</b>	<b>18.7%</b>	<b>-2,082</b>	<b>83</b>	<b>-6.6%</b>	<b>0.3%</b>
Financial income	280	0.2%	230	0.1%	51	0	22.0%	0.0%
Financial charges	2,209	1.2%	1,663	1.0%	546	257	32.8%	15.5%
Profit of equity-accounted investments	1	0.0%	30	0.0%	-29	0	-95.9%	0.0%
<b>Profit before tax</b>	<b>27,718</b>	<b>15.3%</b>	<b>30,324</b>	<b>17.9%</b>	<b>-2,607</b>	<b>-174</b>	<b>-8.6%</b>	<b>-0.6%</b>
Income taxes	8,611	4.8%	9,184	5.4%	-574	-49	-6.2%	-0.5%
<b>Net profit</b>	<b>19,107</b>	<b>10.5%</b>	<b>21,140</b>	<b>12.5%</b>	<b>-2,033</b>	<b>-125</b>	<b>-9.6%</b>	<b>-0.6%</b>

\* Personnel costs are stated net of the Virtual Stock Options Provision, reported hereunder, in order to better understand the construction of EBITDA before Virtual Stock Options.

**Revenues** rose from € 169,742 thousand in the first nine months of 2018 to € 181,169 thousand in the first nine months of 2019, an increase of 6.7%, equal to € 11,427 thousand. The increase in Revenues attributable to the organic growth was 3.4%, while 3.3% is due to the change in the perimeter.

**Operating costs** rose from € 125,181 thousand in the first nine months of 2018 to € 131,426 thousand in the first nine months of 2019, marking an increase of 5.0%, equal to € 6,244 thousand (of which € -2,594 thousand or -2.1% due to adoption of IFRS 16 from 1 January 2019). The increase in operating costs attributable to organic growth change was 3.6%, while the remaining 3.4% is due to the change in the perimeter.

The **EBITDA margin before Virtual Stock Options**, namely the percent ratio of EBITDA before Virtual Stock Options to Revenues, rose from 26.3% in the first nine months of 2018 to 27.5% in the first nine months of 2019. This improvement was due in particular to the effects of adoption of the new IFRS 16 standard, introduced starting from 2019; net of the effects of IFRS 16, the EBITDA margin before Virtual Stock Options in the first nine months of 2019 would have been 26.0%. Net of non-recurring components and the effects of IFRS 16, the EBITDA margin before Virtual Stock Options in the first nine months of 2019 would have been 27.0%, compared to 26.6% in the first nine months of 2018.

The **Virtual Stock Options provision**, targeted at Key Management Personnel and aimed at the disbursement of deferred sums linked to the increase in value of Tinexta Shares, reflects the significant increase in the price of the Shares registered in the first nine months of 2019 until the exercise of the options, which took place in July and August.

The item **Depreciation, amortisation and provisions**, for € 16,520 thousand (€ 12,398 thousand in the first nine months of 2018) includes € 4,436 thousand in amortisation of other intangible assets arising upon allocation of the price paid in business combinations (€ 4,297 thousand in the first nine months of 2018), mainly relating to Innolva, Visura, Co.Mark and Warrant Hub. The increase in the item was impacted by the adoption of IFRS 16, which involved the recognition of amortisation on rights of use recorded for € 2,511 thousand, as well as the increase in amortisation of Intangible assets, in particular Databases and Software.

The balance of **Financial income and charges** in the first nine months of 2019 is negative for € 1,929 thousand (negative € 1,434 thousand in the first nine months of 2018). The increase in financial charges was impacted by the rise in bank debt used for the new acquisitions made in the last 12 months, as well as the adoption of IFRS 16, which involved the recognition of interest expense on leases in the period for € 257 thousand.

Estimated **Income taxes**, calculated based on the tax rates envisaged for the year by the current tax laws, amounted to € 8,611 thousand. The tax rate is 31.1%, essentially in line with the same period of the previous year (30.3%).

\*\*\*\*

### Adjusted Group Results

Shown below are the adjusted economic results calculated before non-recurring components, the provisions relating to the Virtual Stock Option Plan and amortisation of other intangible assets that emerged at the time of allocation of the price paid in business combinations, net of the associated tax effects. These indicators reflect the Group's economic performance, net of non-recurring factors that are not directly attributable to the activities and operation of its core business, thus allowing a more homogeneous analysis of the Group's performance in the periods under comparison.

Adjusted Abbreviated Consolidated Income Statement  (in thousands of Euro)	30/09/2019		30/09/2018		Change	of which change for IFRS 16	% Change	of which change % for IFRS 16
		%		%				
Adjusted revenues	181,169	100.0%	169,563	100.0%	11,606	-	6.8%	0.0%
Adjusted EBITDA	51,550	28.5%	45,181	26.6%	6,368	2,594	14.1%	5.7%
Adjusted operating profit	39,465	21.8%	37,081	21.9%	2,384	83	6.4%	0.2%
Adjusted net profit	26,002	14.4%	24,880	14.7%	1,122	-125	4.5%	-0.5%

The adjusted results show growth in Revenues of 6.8% compared to the previous year, an increase of 14.1% in EBITDA, Operating profit was up by 6.4% and Net profit by 4.5%.

#### Non-recurring items

Non-recurring operating costs came to € 1,806 thousand in the first nine months of 2019, of which € 905 thousand for costs linked to the implementation of the Group's new organisational model.

Non-recurring financial income of € 148 thousand was recognised for the capital gain realised through the sale of a minority shareholding (Moxoff S.r.l.).

Non-recurring income taxes includes non-recurring income of € 657 thousand, of which € 375 thousand for the tax effect on non-recurring components of profit before tax and € 283 thousand for the "Patent Box" benefit recognised by InfoCert S.p.A. in the year 2019.

In the first nine months of 2018, Non-recurring revenues of € 179 thousand were registered, Non-recurring operating costs of € 800 thousand were incurred, non-recurring financial income came to € 138 thousand and income in Non-recurring taxes amounted to € 148 thousand.

### Virtual Stock Options

In the first nine months, the provisions for the Virtual Stock Options plan totalled € 3,577 thousand (€ 436 thousand in the same period of the previous year). All assigned options were exercised and, therefore, there will be no other costs associated to said plan in the future.

### Amortisation of Other intangible assets from Business Combinations

The amortisation of Other intangible assets that emerged at the time of the allocation of the price paid in Business Combinations came to € 4,436 thousand (€ 4,297 thousand in the same period of the previous year).

The method of construction of the adjusted economic indicators is reported below.

<i>(in thousands of Euro)</i>	EBITDA		Operating Profit		Net Profit	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018	30/09/2019	30/09/2018
<b>Reported economic results</b>	<b>46,166</b>	<b>44,125</b>	<b>29,645</b>	<b>31,727</b>	<b>19,107</b>	<b>21,140</b>
Virtual Stock Options provision	3,577	436	3,577	436	3,577	436
<b>EBITDA before Virtual Stock Options</b>	<b>49,743</b>	<b>44,561</b>				
Non-recurring revenues	0	-179	0	-179	0	-179
Non-recurring service costs	1,227	583	1,227	583	1,227	583
Non-recurring personnel costs	239	216	239	216	239	216
Other non-recurring operating costs	340	0	340	0	340	0
Amortisation of Other intangible assets from Business Combinations			4,436	4,297	4,436	4,297
Non-recurring financial income					-148	-138
Tax effect on adjustments					-2,777	-1,476
<b>Adjusted economic results</b>	<b>51,550</b>	<b>45,181</b>	<b>39,465</b>	<b>37,081</b>	<b>26,002</b>	<b>24,880</b>

## Results by business segment

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

The growth trends by segment are shown in the table below, which illustrates the Revenues and EBITDA, compared to the same period of the previous year:

Abbreviated Income Statement by business segment (in thousands of Euro)	30/09/2019	% EBITDA 30/09/2019	30/09/2018	% EBITDA 30/09/2018	Change	of which change for IFRS 16	% Change			
							Total	IFRS 16	Organic	Perimeter
<b>Revenues</b>										
Digital Trust	76,812		68,247		8,565	0	12.6%	0.0%	10.1%	2.5%
Credit Information & Management	52,716		53,501		-785	0	-1.5%	0.0%	-8.9%	7.4%
Innovation & Marketing Services	51,640		47,994		3,646	0	7.6%	0.0%	7.6%	0.0%
Other segments (Parent Company)	0		0		0	0	0.0%	0.0%	0.0%	0.0%
<b>Total Revenues</b>	<b>181,169</b>		<b>169,742</b>		<b>11,427</b>	<b>0</b>	<b>6.7%</b>	<b>0.0%</b>	<b>3.4%</b>	<b>3.3%</b>
<b>EBITDA</b>										
Digital Trust	20,405	26.6%	18,015	26.4%	2,391	1,199	13.3%	6.7%	5.0%	1.6%
Credit Information & Management	12,434	23.6%	10,690	20.0%	1,744	590	16.3%	5.5%	0.9%	9.9%
Innovation & Marketing Services	23,199	44.9%	20,678	43.1%	2,520	684	12.2%	3.3%	8.9%	0.0%
Other segments (Parent Company)	-9,872	n.a.	-5,258	n.a.	-4,614	121	-87.8%	2.3%	-90.1%	0.0%
<b>Total EBITDA</b>	<b>46,166</b>	<b>25.5%</b>	<b>44,125</b>	<b>26.0%</b>	<b>2,041</b>	<b>2,594</b>	<b>4.6%</b>	<b>5.9%</b>	<b>-4.3%</b>	<b>3.0%</b>
<b>Total EBITDA before Virtual Stock Options</b>	<b>49,743</b>	<b>27.5%</b>	<b>44,561</b>	<b>26.3%</b>	<b>5,182</b>	<b>2,594</b>	<b>11.6%</b>	<b>5.8%</b>	<b>2.8%</b>	<b>3.0%</b>

The following table shows the adjusted economic results by business segments:

Abbreviated Income Statement adjusted by business segment (In thousands of Euro)	30/09/2019	% EBITDA 30/09/2019	30/09/2018	% EBITDA 30/09/2018	Change	of which change for IFRS 16	% Change			
							Total	IFRS 16	Organic	Perimeter
<b>Revenues</b>										
Digital Trust	76,812		68,068		8,744	0	12.8%	0.0%	10.4%	2.5%
Credit Information & Management	52,716		53,501		-785	0	-1.5%	0.0%	-8.9%	7.4%
Innovation & Marketing Services	51,640		47,994		3,646	0	7.6%	0.0%	7.6%	0.0%
Other segments (Parent Company)	0		0		0	0	0.0%	0.0%	0.0%	0.0%
<b>Total adjusted revenues</b>	<b>181,169</b>		<b>169,563</b>		<b>11,606</b>	<b>0</b>	<b>6.8%</b>	<b>0.0%</b>	<b>3.5%</b>	<b>3.3%</b>
<b>EBITDA</b>										
Digital Trust	21,068	27.4%	17,878	26.3%	3,190	1,199	17.8%	6.7%	9.5%	1.6%
Credit Information & Management	12,673	24.0%	11,137	20.8%	1,535	590	13.8%	5.3%	-1.0%	9.5%
Innovation & Marketing Services	23,199	44.9%	20,678	43.1%	2,520	684	12.2%	3.3%	8.9%	0.0%
Other segments (Parent Company)	-5,389	n.a.	-4,513	n.a.	-877	121	-19.4%	2.7%	-22.1%	0.0%
<b>Total adjusted EBITDA</b>	<b>51,550</b>	<b>28.5%</b>	<b>45,181</b>	<b>26.6%</b>	<b>6,368</b>	<b>2,594</b>	<b>14.1%</b>	<b>5.7%</b>	<b>5.4%</b>	<b>3.0%</b>

Comments on the adjusted results of the individual business segments are provided below.

### Digital Trust

Revenues from the Digital Trust segment amounted to € 76,812 thousand. The increase over the first nine months of 2018 amounts to 12.8%, or € 8,744 thousand in absolute terms, consisting of 10.4% due to organic growth and 2.5% due to growth from the change in perimeter. The change in the perimeter is due to the line-by-line consolidation of Camerfirma and Camerfirma Perù from 1 May 2018.

EBITDA for the segment was € 21,068 thousand. The increase over the EBITDA for the first nine months of 2018 amounts to 17.8%. Organic growth amounted to 9.5%, while the contribution of Camerfirma and Camerfirma Perù, due to the aforementioned change in perimeter, was 1.6%. The adoption of IFRS 16 from 1 January 2019 involved a positive variation of 6.7% compared to the first nine months of 2018. In percentage terms, the EBITDA margin (impact of EBITDA on Revenues) was 27.4%, an improvement from 26.3% in the same period of the previous year; net of the effects of the adoption of IFRS 16, the EBITDA margin (25.9%) registered a slight decrease due to the higher costs incurred with the start of e-invoicing from 1 January 2019 (support and assistance).

### ***Credit Information & Management***

Revenues in the Credit Information & Management segment amounted to € 52,716 thousand. Compared to the first nine months of the previous year, a decrease of 1.5% was recorded, comprising an organic decrease of 8.9% and an increase due to perimeter change of 7.4%, as a result of the consolidation of Comas and Webber from 1 July 2018, Promozioni Servizi from 1 November 2018, and the deconsolidation of Creditreform Assicom Ticino (now Creditreform GPA Ticino) from June 2018.

EBITDA was up 13.8% over the first nine months of 2018, amounting to € 12,673 thousand; the increase from perimeter change amounted to 9.5% while EBITDA on an organic basis fell 1.0%. The adoption of IFRS 16 from 1 January 2019 caused a positive variation of 5.3% compared to the first nine months of 2018. In percentage terms, the EBITDA margin (the ratio of EBITDA to Revenues) was 24.0%, an improvement from 20.8% in the same period of the previous year; also net of the effects of the adoption of IFRS 16 (22.9%).

### ***Innovation & Marketing Services***

Revenues from the Innovation & Marketing Services segment amounted to € 51,640 thousand. The increase over the first nine months of 2018 amounted to 7.6%, or € 3,646 thousand in absolute terms, in line with the forecasts.

EBITDA for the segment was € 23,199 thousand. The increase over the EBITDA for the previous year amounted to 12.2%. Organic growth amounted to 8.9%. The adoption of IFRS 16 from 1 January 2019 involved a variation of 3.3% compared to the first nine months of 2018. In percentage terms, the EBITDA margin (the ratio of EBITDA to Revenues) was 44.9%, up from 43.1% in first nine months of 2018; also net of the effects of the adoption of IFRS 16 the EBITDA margin grew (43.6%).



## GROUP BALANCE SHEET AND FINANCIAL POSITION

The Group's Balance Sheet position at 30 September 2019 compared with 31 December 2018, is reported as follows:

<i>In thousands of Euro</i>	30/09/2019	% of Net invested capital/Total sources	31/12/2018	% of Net invested capital/Total sources	Change	% Change
Intangible assets and goodwill	268,954	98.7%	272,104	100.7%	-3,150	-1.2%
Property, plant and equipment	22,141	8.1%	8,232	3.0%	13,909	169.0%
Investment property	581	0.2%	594	0.2%	-13	-2.3%
Other net non-current assets and liabilities	-17,171	-6.3%	-18,934	-7.0%	1,763	-9.3%
<b>Net non-current assets</b>	<b>274,506</b>	<b>100.7%</b>	<b>261,997</b>	<b>96.9%</b>	<b>12,509</b>	<b>4.8%</b>
Inventories	1,186	0.4%	1,344	0.5%	-159	-11.8%
Contract cost assets	6,421	2.4%	6,557	2.4%	-135	-2.1%
Trade and other receivables* and Contract assets	76,729	28.1%	92,678	34.3%	-15,949	-17.2%
Current tax assets (liabilities)	-3,556	-1.3%	3,815	1.4%	-7,372	-193.2%
Assets held for sale	199	0.1%	199	0.1%	0	0.0%
Trade and other payables	-45,091	-16.5%	-53,318	-19.7%	8,227	-15.4%
Contract liabilities and deferred income	-37,166	-13.6%	-41,277	-15.3%	4,111	-10.0%
Current employee benefits	-394	-0.1%	-1,488	-0.6%	1,094	-73.5%
Current provisions for risks and charges	-258	-0.1%	-186	-0.1%	-72	39.0%
<b>Net working capital</b>	<b>-1,930</b>	<b>-0.7%</b>	<b>8,325</b>	<b>3.1%</b>	<b>-10,254</b>	<b>-123.2%</b>
<b>Total loans - Net invested capital</b>	<b>272,576</b>	<b>100.0%</b>	<b>270,321</b>	<b>100.0%</b>	<b>2,255</b>	<b>0.8%</b>
Shareholders' Equity	143,059	52.5%	145,376	53.8%	-2,317	-1.6%
Net Financial Indebtedness	129,517	47.5%	124,946	46.2%	4,571	3.7%
<b>Total sources</b>	<b>272,576</b>	<b>100.0%</b>	<b>270,321</b>	<b>100.0%</b>	<b>2,255</b>	<b>0.8%</b>

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

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

<i>In thousands of Euro</i>	30/09/2019	31/12/2018	Change	% Change
Equity-accounted investments	12,650	12,533	117	0.9%
Other investments	22	24	-2	-10.3%
Other financial assets, excluding derivative financial instruments	1,154	1,123	31	2.8%
Derivative financial instruments	34	30	4	14.1%
Deferred tax assets	6,326	6,677	-351	-5.3%
Other receivables	787	618	169	27.3%
<b>Non-current assets</b>	<b>20,972</b>	<b>21,005</b>	<b>-33</b>	<b>-0.2%</b>
Provisions	-2,181	-1,945	-235	12.1%
Deferred tax liabilities	-16,587	-18,246	1,659	-9.1%
Employee benefits	-10,989	-11,353	364	-3.2%
Contract liabilities and deferred income	-8,386	-8,395	9	-0.1%
<b>Non-current liabilities</b>	<b>-38,143</b>	<b>-39,939</b>	<b>1,796</b>	<b>-4.5%</b>
<b>Other net non-current assets and liabilities</b>	<b>-17,171</b>	<b>-18,934</b>	<b>1,763</b>	<b>-9.3%</b>

Shareholders' Equity decreased by € 2,317 thousand. The change is the result of the following factors:

- the positive result from the Comprehensive Income Statement for the period of € 18,822 thousand;
- dividends resolved by the Group for € 16,396 thousand;
- the negative adjustment for the put options on Minority interests (€ 5,712 thousand) due to the revision in estimated payments envisaged based on future expected results of the relevant companies, as well the revaluation due to the passage of time;
- the Share capital increase contribution of € 1,078 thousand by Cedacri for the exercising of Warrants (as described in Note 13, the Key events of the period).

Net working capital decreased from € 8,325 thousand at 31 December 2018 to € -1,930 thousand at 30 September 2019. The deviation was impacted by the variation in the balance of current taxes (€ -7,372 thousand). The significant reduction in Trade and other receivables and Contract assets partly offset by the reduction in Trade and other payables/Contract liabilities and deferred income involved a further decrease in Net working capital totalling € 3,610 thousand.

Net non-current assets amounted to € 274,506 thousand at 30 September 2019, with an increase of € 12,509 thousand (+4.8%) compared to 31 December 2018 (€ 261,997 thousand). The increase is attributable to the recognition of rights of use of € 15,105 thousand, booked to the item Property, plant and equipment due to the adoption of IFRS 16 on 1 January 2019.

### Group Net financial indebtedness

The table below provides details of the Group's Net financial indebtedness at 30 September 2019 compared with the same position at 31 December 2018:

*In thousands of Euro*

	30/09/2019	31/12/2018	Change	%
A Cash	36,231	35,117	1,114	3.2%
B Other cash equivalents	12	19	-7	-35.8%
<b>D Liquid assets (A+B)</b>	<b>36,244</b>	<b>35,136</b>	<b>1,107</b>	<b>3.2%</b>
E Current financial receivables	6,382	8,186	-1,804	-22.0%
F Current bank debt	-1,217	-8,113	6,896	-85.0%
G Current portion of non-current debt	-19,418	-12,018	-7,399	61.6%
H Other current financial debt	-31,277	-77,252	45,975	-59.5%
<b>I Current financial debt (F+G+H)</b>	<b>-51,912</b>	<b>-97,384</b>	<b>45,472</b>	<b>-46.7%</b>
<b>J Net current financial position (indebtedness) (D+E+I)</b>	<b>-9,286</b>	<b>-54,062</b>	<b>44,775</b>	<b>-82.8%</b>
K Non-current bank debt	-102,243	-45,706	-56,537	123.7%
L Other non-current financial debt	-17,987	-25,178	7,191	-28.6%
<b>M Non-current financial debt (K+L)</b>	<b>-120,231</b>	<b>-70,884</b>	<b>-49,347</b>	<b>69.6%</b>
<b>N Net financial position (indebtedness) (J+M) (*)</b>	<b>-129,517</b>	<b>-124,946</b>	<b>-4,571</b>	<b>3.7%</b>
O Other non-current financial assets	1,187	1,152	35	3.0%
<b>P Total net financial position (indebtedness) (N+O)</b>	<b>-128,329</b>	<b>-123,793</b>	<b>-4,536</b>	<b>3.7%</b>

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

Net financial indebtedness amounted to € 129,517 thousand, marking an increase of € 4,571 thousand compared to 31 December 2018. The adoption of IFRS 16 at 1 January 2019 involved the recognition of additional lease liabilities of € 14,448 thousand as at 30 September 2019. Net financial indebtedness at 30 September 2019 includes: € 14,889 thousand in liabilities linked to the purchase of Minority interests for Put options (€ 59,070 thousand at 31 December 2018) liabilities for contingent consideration linked to the

acquisitions for € 6,408 thousand (€ 1,227 thousand at 31 December 2018) and liabilities for price deferments granted by sellers for € 8,192 thousand (€ 10,736 thousand at 31 December 2018).

The exercising of Put options on the companies Warrant Hub S.p.A., Co.Mark S.p.A. and Visura S.p.A. involved a decrease of Other current financial payables, financed almost entirely by medium/long-term bank credit lines. These transactions allowed a rebalancing of financing sources between current and non-current.

It should be noted that, on 28 June 2019, Tinexta S.p.A. repaid, within the terms set forth contractually, the entire loan of € 25 million extended by the Controlling Shareholder Tecno Holding S.p.A., which was financed by using bank credit lines.

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

	<i>In thousands of Euro</i>
<b>Net financial indebtedness at 31/12/2018</b>	<b>124,946</b>
Free Cash Flow	-36,634
Dividends resolved	16,396
FTA IFRS 16	15,043
Adjustment for Put options	5,712
Net financial (income) charges	2,077
New leases and adjustments of existing contracts	2,361
Share capital increase contribution	-1,078
Change in cash flow hedging derivatives recognised in Other comprehensive income	399
Other residual	295
<b>Net financial indebtedness at 30/09/2019</b>	<b>129,517</b>

- The Free Cash Flow generated during the period amounted to € 36,634 thousand, of which € 44,694 thousand in Net cash and cash equivalents generated by operations, excluding € 8,059 thousand absorbed by investments in Property, plant and equipment and Intangible assets. The Free Cash Flow figure increased by 23.7% compared to the first nine months of 2018 (€ 29,617 thousand). The increase was affected by the adoption of IFRS 16 (+8.5%), which involved the shifting of the cash flows relating to operating lease payments according to IAS 17 from operating activities to financing activities.
- The adoption of IFRS 16 at 1 January 2019 involved the recognition of financial lease liabilities of € 15,043 thousand. As at 30 September 2019, the new leases signed, as well as the adjustments to existing contracts, involved the recognition of financial liabilities of € 2,361 thousand. Taking into account the payments and interest accrued during the first nine months of the year, the impact of IFRS 16 on the Net financial indebtedness as at 30 September had an impact of € 14,448 thousand.
- Dividends resolved for € 16,396 thousand, of which € 10,691 thousand by Tinexta S.p.A. and € 5,705 thousand by Group companies to minorities.
- Adjustment for Put options for € 5,712 thousand, due to the revision in estimated payments envisaged based on future expected results of the relevant companies and due to the revaluation due to the passage of time.
- Net financial charges for € 2,077 thousand, considered net of the income of € 148 thousand relating to the capital gain generated by the sale of a minority investment for € 150 thousand (recognised under Other residual).
- The Share capital increase contribution of € 1,078 thousand relating to the exercise of the last tranche of warrants by Cedacri S.p.A. (as described in Note 13, Key events of the period).

- Change in cash flow hedging derivatives recognised in Other comprehensive income for € 399 thousand, due to the stipulation of hedging derivatives subscribed during the third quarter of the year (as described in notes 10 and 11 of Key events of the period).

## KEY EVENTS SUBSEQUENT TO 30 SEPTEMBER 2019

On **4 October 2019**, Tinexta S.p.A. issued 317,000 new Shares, increasing its Share capital to € 47,207,120, fully subscribed and paid-in, divided into 47,207,120 Shares, in execution of the Board of Directors' resolution following the request to exercise the final tranche of the warrants held by Cedacri (as described in Note 13, Key events of the period).

On **18 October 2019**, Tinexta S.p.A. concluded two Interest rate collars with Banca Intesa Sanpaolo. The transaction was carried out for an initial notional value of € 11,887 thousand to fully cover the last tranche of the disbursement of the floating rate loan stipulated on 28 March 2019 with the Intesa Sanpaolo Group, which was used to purchase 40% of the share capital of Visura S.p.A. Through this transaction, Tinexta limited the degree of fluctuation of the 6-month Euribor rate, the benchmark of the underlying loan, within a range defined a maximum rate (Cap rate) of 1.75% and a minimum rate (Floor rate) of -0.33%.

## BUSINESS OUTLOOK

In light of the results achieved and the prospects for the fourth quarter, Tinexta confirms the following growth objectives for 2019:

- Revenues of more than € 250 million;
- EBITDA: € 68-70 million.

## INTERIM REPORT PREPARATION CRITERIA

The Group's Interim Report on Operations at 30 September 2019 was prepared in accordance with Art. 154-ter, paragraph 5 of the Consolidated Finance Act, introduced by Italian Legislative Decree 195/2007, in implementation of Directive 2004/109/EC. The Interim Report on Operations was approved by the Board of Directors of Tinexta on 14 November 2019, and its disclosure was authorised by the same body on said date.

The Group's Interim Report on Operations at 30 September 2019 was not audited.

The Interim Report on Operations is prepared on the basis of the recognition and measurement criteria set forth in the International Financial Reporting Standards (IFRS) adopted by the European Union. The accounting standards adopted for the preparation of this Interim Report on Operations are the same as those adopted for the drafting of the Group's annual Consolidated Financial Statements for the year ended 31 December 2018, except for IFRS 16 "Leases" applied from 1 January 2019, which involved changes to the accounting policies and in some cases adjustments to the amounts recognised in the financial statements.

### IFRS 16

On 13 January 2016, the IASB published the new standard IFRS 16 - "Leases", which replaces the current provisions related to leasing, including IAS 17 - "Leases", IFRIC 4 - "Determining Whether an Arrangement Contains a Lease", SIC 15 - "Operating Leases: Incentives", and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease". IFRS 16 is applicable from 1 January 2019. Endorsement by the EU took place on 31 October 2017 with Regulation no. 1986.

IFRS 16 establishes the principles for recognising, measuring, presenting and providing disclosure on lease agreements and requires lessees to account for all leases according to a single accounting model similar to the method used to account for finance leases under IAS 17. The standard includes two recognition exemptions for lessees - leases for "low value" assets (such as personal computers) and short-term leases (for a period of less than or equal to 12 months). At the start date of a lease, the lessee recognises a liability relating to the rent to be paid (i.e., the lease liability) and an asset representing the right to use the underlying asset for the term of the lease (i.e., the right of use). The lessees are required to recognise interest expense on the lease liability and amortisation on the right of use separately. Lessees are also required to reconsider the amount of the lease liability when certain events taken place (i.e., a change in the term of the lease, a change in future payments arising from changes in the index or the rate used to determine such payments). The lessee will generally recognise the difference from the remeasurement of the lease liability amount as an adjustment to the right of use. The accounting method for the lessor under IFRS 16 remains basically the same as the accounting policy set forth under IAS 17. Lessors continue to classify all leases using the classification principle set forth in IAS 17 and distinguish between two types of leases: operating and finance.

The Group has adopted IFRS 16 for leases previously classified as operating leases in accordance with IAS 17 by retrospectively accounting with the cumulative effect of the initial application of the standard at the initial application date (1 January 2019). The Group recognised the right of use asset at the date of initial application in an amount equal to the lease liability adjusted by the amount of any deferred assets or accrued charges relating to the leases recognised in the Statement of Financial Position at 31 December 2018.

The adjustment to IFRS 16 as at 1 January 2019 involved the recognition of higher financial liabilities for leasing of € 15,043 thousand with a contra-item in the form of the recognition of assets for rights of use of € 15,105 thousand under Property, plant and equipment; the differential is represented by the amount of prepaid expenses recorded in the Statement of Financial Position as at 31 December 2018.

The introduction of IFRS 16 involved the following effects on the Income Statement for the period:

- lower operating costs of € 2,594 thousand;
- higher depreciation of € 2,511 thousand;
- higher financial charges of € 257 thousand.

The Group made use of the following exemptions provided by the standard on leases:

- The Group applied a single discounting rate to a portfolio of similar leases with a similar residual term;
- The Group did not apply IFRS 16 on leases for which the terms of the lease expire within 12 months of the date of initial application and leases for which the underlying asset has a low value. The Group has entered into lease agreements on some office equipment (e.g., personal computers, printers and photocopiers) which is considered to be low value.
- The Group excluded initial direct costs from the valuation of the asset consisting of the right of use at the date of initial application.
- The Group used past experience and its knowledge to determine the term of specific lease agreements with tacit renewal clauses.

In the Statement of Financial Position, the Group reports assets for rights of use under fixed assets, in the same item in which said assets would be reported, if owned; and leasing liabilities under financial liabilities.

## **SCOPE OF CONSOLIDATION AND CONSOLIDATION CRITERIA**

The Consolidated Financial Statements include the Financial Statements of the Parent Company Tinexta S.p.A. and the companies on which the Company has the right to exercise control, directly or indirectly, as defined by IFRS 10 "Consolidated Financial Statements".

For the purposes of the assessment of the existence of control, the three necessary elements are all present:

- power to control the company;
- exposure to the risk or the rights deriving from the variable returns linked to its involvement;
- ability to influence the company, to the extent of conditioning the results (positive or negative) for the investor (correlation between power and exposure to risks and benefits).

Control can be exercised both on the basis of the direct or indirect possession of the majority of the shares with voting rights, on the basis of contractual or legal agreements, independently from the possession of stocks. In assessing these rights, we take into account the power to exercise these rights independently from their effective exercise and all potential voting rights are considered.

The list of companies consolidated on a line-by-line basis or with the equity method at 30 September 2019 is shown in the following table.

Company	Registered office	at 30 September 2019					
		Share capital		% ownership	via	% contribution to the Group	Consolidation method
		Amount (in thousands of Euro)	Currency				
Tinexta S.p.A. (Parent Company)	Rome	46,890	Euro	n.a.	n.a.	n.a.	n.a.
InfoCert S.p.A.	Rome	17,705	Euro	99.99%	n.a.	99.99%	Line-by-line
Innolva S.p.A.	Buja (UD)	3,000	Euro	100.00%	n.a.	100.00%	Line-by-line
Re Valuta S.p.A.	Milan	200	Euro	83.13%	n.a.	95.00%	Line-by-line
Co.Mark S.p.A.	Bergamo	150	Euro	100.00%	n.a.	100.00%	Line-by-line
Visura S.p.A.	Rome	1,000	Euro	100.00%	n.a.	100.00%	Line-by-line
Warrant Hub S.p.A.	Correggio (RE)	58	Euro	90.25%	n.a.	100.00%	Line-by-line
Sixtema S.p.A.	Rome	6,180	Euro	80.00%	InfoCert S.p.A.	99.99%	Line-by-line
AC Camerfirma S.A.	Spain	3,420	Euro	51.00%	InfoCert S.p.A.	50.99%	Line-by-line
Comas S.r.l.	Arezzo	100	Euro	100.00%	Innolva S.p.A.	100.00%	Line-by-line
Webber S.r.l.	Arezzo	10	Euro	100.00%	Innolva S.p.A.	100.00%	Line-by-line
Promozioni Servizi S.r.l.	Vicenza	10	Euro	100.00%	Innolva S.p.A.	100.00%	Line-by-line
Innolva Relazioni Investigative S.r.l.	Brescia	10	Euro	100.00%	Innolva S.p.A.	100.00%	Line-by-line
Co.Mark TES S.L.	Spain	36	Euro	100.00%	Co.Mark S.p.A.	100.00%	Line-by-line
Warrant Innovation Lab S.r.l.	Correggio (RE)	25	Euro	98.41%	Warrant Hub S.p.A.	98.41%	Line-by-line
Warrant Service S.r.l.	Correggio (RE)	40	Euro	50.00%	Warrant Hub S.p.A.	50.00%	Line-by-line
Bewarrant S.p.r.l.	Belgium	12	Euro	100.00%	Warrant Hub S.p.A.	100.00%	Line-by-line
Camerfirma Perú S.A.C	Peru	84	PEN	99.99%	AC Camerfirma S.A.	50.98%	Line-by-line
Lux Trust S.A.	Luxembourg	12,416	Euro	50.00%	InfoCert S.p.A.	50.00%	Shareholders' Equity
Etuitus S.r.l.	Salerno	50	Euro	24.00%	InfoCert S.p.A.	24.00%	Shareholders' Equity
Camerfirma Colombia S.A.S.	Colombia	1,200,000	COP	25.00%	AC Camerfirma S.A.	25.00%	Shareholders' Equity
Creditreform GPA Ticino S.A.	Switzerland	100	CHF	30.00%	Innolva S.p.A.	30.00%	Shareholders' Equity
Innovazione 2 Sagl	Switzerland	20	CHF	30.00%	Warrant Hub S.p.A.	30.00%	Shareholders' Equity

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



## **FINANCIAL STATEMENTS**

**30 September 2019**

**Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows**



# Consolidated Financial Statements

## Consolidated Statement of Financial Position

<i>In thousands of Euro</i>	30/09/2019	31/12/2018 <sup>1 2</sup>
<b>ASSETS</b>		
Property, plant and equipment	22,141	8,232
Intangible assets and goodwill	268,954	272,104
Investment property	581	594
Equity-accounted investments	12,650	12,533
Other investments	22	24
Other financial assets, excluding derivative financial instruments	1,154	1,123
- of which vs. Related Parties	8	8
Derivative financial instruments	34	30
Deferred tax assets	6,326	6,677
Trade and other receivables	918	830
Contract cost assets	5,019	5,000
<b>NON-CURRENT ASSETS</b>	<b>317,799</b>	<b>307,148</b>
Inventories	1,186	1,344
Other financial assets, excluding derivative financial instruments	6,382	8,186
Current tax assets	1,048	4,519
- of which vs. Related Parties	458	458
Trade and other receivables	69,496	86,321
- of which vs. Related Parties	155	44
Contract assets	7,102	6,145
Contract cost assets	1,402	1,556
Cash and cash equivalents	36,244	35,136
Assets held for sale	199	199
<b>CURRENT ASSETS</b>	<b>123,059</b>	<b>143,407</b>
<b>TOTAL ASSETS</b>	<b>440,858</b>	<b>450,555</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	46,890	46,890
Reserves	92,543	94,729
Shareholders' Equity attributable to the Group	139,433	141,619
Minority interests	3,626	3,757
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>143,059</b>	<b>145,376</b>
<b>LIABILITIES</b>		
Provisions	2,181	1,945
Employee benefits	10,989	11,353
Financial liabilities, excluding derivative financial instruments	119,578	70,667
- of which vs. Related Parties	1,644	0
Derivative financial instruments	652	217
Deferred tax liabilities	16,587	18,246
Contract liabilities	8,386	8,395
- of which vs. Related Parties	25	0
<b>NON-CURRENT LIABILITIES</b>	<b>158,374</b>	<b>110,823</b>
Provisions	258	186
Employee benefits	394	1,488
Financial liabilities, excluding derivative financial instruments	51,912	97,380
- of which vs. Related Parties	851	25,252
Derivative financial instruments	0	3
Trade and other payables	45,091	53,318
- of which vs. Related Parties	148	274
Contract liabilities	36,344	40,587
- of which vs. Related Parties	46	0
Deferred income	822	690
Current tax liabilities	4,604	704
<b>CURRENT LIABILITIES</b>	<b>139,425</b>	<b>194,356</b>
<b>TOTAL LIABILITIES</b>	<b>297,799</b>	<b>305,179</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>440,858</b>	<b>450,555</b>

<sup>1</sup>The comparative data at 31 December 2018 were re-stated in relation to the completion, in the first half, of the identification of the fair values of the assets and liabilities of Comas S.r.l. and Webber S.r.l. consolidated on a line-by-line basis from 1 July 2018, as well as of Promozioni Servizi S.r.l. consolidated on a line-by-line basis from 1 November 2018.

<sup>2</sup>Since 1 January 2019, the Group has adopted IFRS 16 "Leases", retrospectively with the cumulative effect of initially applying the Standard recognised at 1 January 2019. Comparative 2018 data have not been restated.

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

<i>In thousands of Euro</i>	<i>Nine-month period closed at 30 September</i>	
	<b>2019</b>	<b>2018<sup>3 4</sup></b>
<b>Revenues</b>	<b>181,169</b>	<b>169,742</b>
- of which vs. Related Parties	31	1,617
- of which non-recurring	0	179
Costs of raw materials	5,133	4,008
Service costs	59,474	57,686
- of which vs. Related Parties	820	1,219
- of which non-recurring	1,227	583
Personnel costs	62,371	56,089
- of which non-recurring	239	216
Contract costs	5,936	6,451
Other operating costs	2,089	1,382
- of which vs. Related Parties	0	9
- of which non-recurring	340	0
Amortisation/depreciation	14,779	10,921
Provisions	144	-82
Impairment	1,597	1,559
<b>Total Costs</b>	<b>151,524</b>	<b>138,015</b>
<b>OPERATING PROFIT</b>	<b>29,645</b>	<b>31,727</b>
Financial income	280	230
- of which non-recurring	148	138
Financial charges	2,209	1,663
- of which vs. Related Parties	299	374
<b>Net financial income (charges)</b>	<b>-1,929</b>	<b>-1,434</b>
Share of profit of equity-accounted investments, net of tax	1	30
<b>PROFIT BEFORE TAX</b>	<b>27,718</b>	<b>30,324</b>
Income taxes	8,611	9,184
- of which non-recurring	-657	-148
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>	<b>19,107</b>	<b>21,140</b>
Profit (loss) from discontinued operations	0	0
<b>NET PROFIT</b>	<b>19,107</b>	<b>21,140</b>
<b>Other components of the comprehensive Income Statement</b>		
<i>Components that will never be reclassified to profit or loss</i>		
<b>Total components that will never be reclassified to profit or loss</b>	<b>0</b>	<b>0</b>
<i>Components that are or may be later reclassified to profit or loss:</i>		
Exchange rate differences from the translation of foreign Financial Statements	11	-2
Profits (losses) from measurement at fair value of derivative financial instruments	-399	10
Equity-accounted investments - share of OCI	6	1
Tax effect	96	-2
<b>Total components that are or may be later reclassified to profit (loss)</b>	<b>-285</b>	<b>7</b>
<b>Total other components of comprehensive income, net of tax</b>	<b>-285</b>	<b>7</b>
<b>Total comprehensive income for the period</b>	<b>18,822</b>	<b>21,147</b>
<b>Net Profit attributable to:</b>		
Group	18,745	20,672
Minority interests	361	468
<b>Total comprehensive income for the period attributable to:</b>		
Group	18,455	20,680
Minority interests	367	468
<b>Earnings per Share</b>		
Basic earnings per Share (Euro)	0.40	0.44
Diluted earnings per Share (Euro)	0.40	0.44

<sup>3</sup>The comparative data of the first nine months of 2018 were restated due to the completion during Fourth Quarter 2018 of activities to identify the fair values of the assets and liabilities of Warrant Hub S.p.A. and its subsidiaries, consolidated on a line-by-line basis from 1 December 2017, the completion in Fourth Quarter 2018 of the activities to identify the fair values of the assets and liabilities of AC Camerfirma S.A., consolidated on a line-by-line basis from 1 May 2018, as well as the completion during the year of activities to identify the fair values of the assets and liabilities of Comas S.r.l. and Webber S.r.l., consolidated on a line-by-line basis from 1 July 2018.

<sup>4</sup>Since 1 January 2019, the Group has adopted IFRS 16 "Leases", retrospectively with the cumulative effect of initially applying the Standard recognised at 1 January 2019. Comparative 2018 data have not been restated.

## Consolidated Statement of Changes in Equity

Nine-month period closed at 30 September 2019


In thousands of Euro	Share capital	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Other reserves	Shareholders' Equity attributable to the Group	Minority interests	Consolidated Shareholders' Equity
<b>Balance at 1 January 2019</b>	<b>46,890</b>	<b>2,031</b>	<b>54,678</b>	<b>-181</b>	<b>-361</b>	<b>38,561</b>	<b>141,619</b>	<b>3,757</b>	<b>145,376</b>
<i>Comprehensive income for the period</i>									
Profit for the period						18,745	18,745	361	19,107
Other components of the comprehensive Income Statement				-303		12	-290	6	-285
<i>Total comprehensive income for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-303</i>	<i>0</i>	<i>18,758</i>	<i>18,455</i>	<i>367</i>	<i>18,822</i>
<i>Transactions with Shareholders</i>									
Dividends						-15,900	-15,900	-496	-16,396
Allocation to legal reserve		1,081				-1,081	0		0
Adjustment of put option on Minority interests						-5,712	-5,712		-5,712
Acquisitions of minority interests in subsidiaries						-107	-107	-2	-109
Share capital increase contribution						1,078	1,078		1,078
<i>Total transactions with Shareholders</i>	<i>0</i>	<i>1,081</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-21,722</i>	<i>-20,641</i>	<i>-498</i>	<i>-21,139</i>
<b>Balance at 30 September 2019</b>	<b>46,890</b>	<b>3,112</b>	<b>54,678</b>	<b>-483</b>	<b>-361</b>	<b>35,597</b>	<b>139,433</b>	<b>3,626</b>	<b>143,059</b>

Nine-month period closed at 30 September 2018

In thousands of Euro	Share capital	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Other reserves	Shareholders' Equity attributable to the Group	Minority interests	Consolidated Shareholders' Equity
<b>Balance at 31 December 2017</b>	<b>46,573</b>	<b>1,433</b>	<b>53,917</b>	<b>-154</b>	<b>-395</b>	<b>41,301</b>	<b>142,676</b>	<b>537</b>	<b>143,213</b>
Effect of adoption of IFRS 15						-8,387	-8,387	-5	-8,391
Effect of adoption of IFRS 9						519	519		519
<b>Balance at 1 January 2018</b>	<b>46,573</b>	<b>1,433</b>	<b>53,917</b>	<b>-154</b>	<b>-395</b>	<b>33,433</b>	<b>134,807</b>	<b>532</b>	<b>135,340</b>
<i>Comprehensive income for the period</i>									
Profit for the period						20,672	20,672	468	21,140
Other components of the comprehensive Income Statement				8		-1	7	0	7
<i>Total comprehensive income for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>8</i>	<i>0</i>	<i>20,672</i>	<i>20,680</i>	<i>468</i>	<i>21,147</i>
<i>Transactions with Shareholders</i>									
Dividends						-11,629	-11,629	-437	-12,067
Allocation to legal reserve		598				-598	0		0
Adjustment of put option on Minority interests						-10,177	-10,177		-10,177
Acquisitions of minority interests in subsidiaries					-1	-189	-190	-80	-270
Share capital increase contribution						1,078	1,078		1,078
Acquisitions							0	3,132	3,132
Other changes						-8	-8	26	18
<i>Total transactions with Shareholders</i>	<i>0</i>	<i>598</i>	<i>0</i>	<i>0</i>	<i>-1</i>	<i>-21,524</i>	<i>-20,926</i>	<i>2,641</i>	<i>-18,285</i>
<b>Balance at 30 September 2018</b>	<b>46,573</b>	<b>2,031</b>	<b>53,917</b>	<b>-146</b>	<b>-396</b>	<b>32,580</b>	<b>134,560</b>	<b>3,641</b>	<b>138,201</b>

## Consolidated Statement of Cash Flows

<i>In thousands of Euro</i>	<i>Nine-month period closed at 30 September</i>	
	<b>2019</b>	<b>2018</b>
<i>Cash flows from operations</i>		
Net Profit	19,107	21,140
Adjustments for:		
- Depreciation of property, plant and equipment	4,969	2,602
- Amortisation of intangible assets	9,797	8,318
- Depreciation of investment property	13	0
- Impairment (Revaluations)	1,597	1,559
- Provisions	144	-82
- Contract costs	5,936	6,451
- Net financial charges (income)	1,929	1,434
- <i>of which vs. Related Parties</i>	299	374
- Share of profit of equity-accounted investments	-1	-30
- Income taxes	8,611	9,184
Changes in:		
- Inventories	159	18
- Contract cost assets	-5,801	-8,331
- Trade and other receivables and Contract assets	14,441	6,453
- <i>of which vs. Related Parties</i>	-111	189
- Trade and other payables	-8,226	-2,877
- <i>of which vs. Related Parties</i>	-126	-31
- Provisions and employee benefits	-1,150	628
- Contract liabilities and deferred income, including public contributions	-4,120	2,637
<b>Cash and cash equivalents generated by operations</b>	<b>47,404</b>	<b>49,105</b>
Income taxes paid	-2,710	-9,429
<b>Net cash and cash equivalents generated by operations</b>	<b>44,694</b>	<b>39,676</b>
<i>Cash flows from investments</i>		
Interest collected	24	59
Collections from sale or repayment of financial assets	1,789	484
Investments in shareholdings consolidated using the equity method	-27	0
Investments in property, plant and equipment	-1,413	-2,790
Investments in intangible assets	-6,647	-7,269
Increases in the scope of consolidation, net of liquidity acquired	0	-6,380
Decreases in the scope of consolidation, net of liquidity sold	0	-23
<b>Net cash and cash equivalents generated/(absorbed) by investing activities</b>	<b>-6,274</b>	<b>-15,920</b>
<i>Cash flows from financing</i>		
Purchase of Minority interests in subsidiaries	-43,594	-6,566
Repayment of loans extended by Controlling Shareholder	-25,000	0
- <i>of which vs. Related Parties</i>	-25,000	0
Interest paid	-1,259	-1,099
- <i>of which vs. Related Parties</i>	-290	-500
MLT bank loans taken out	68,992	0
Repayment of MLT bank loans	-6,014	-4,473
Repayment of price deferment liabilities on acquisitions of equity investments	-2,472	-1,522
Repayment of contingent consideration liabilities	-1,347	-3,158
Change in other current bank payables	-6,707	385
Change in other current financial payables	-2,109	151
Repayment of lease liabilities	-2,485	-152
- <i>of which vs. Related Parties</i>	-526	0
Share capital increase contribution	1,078	1,078
Capital increases - subsidiaries	0	2
Dividends paid	-16,396	-12,067
<b>Net cash and cash equivalents generated/(absorbed) by financing</b>	<b>-37,312</b>	<b>-27,421</b>
Net increase (decrease) in cash and cash equivalents	1,107	-3,665
Cash and cash equivalents at 1 January	35,136	36,987
<b>Cash and cash equivalents at 30 September</b>	<b>36,244</b>	<b>33,322</b>



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

The manager responsible for the preparation of the corporate accounting documents hereby declares, pursuant to art. 154-bis, paragraph 2, of the Consolidated Finance Act, that the accounting information in this Interim Report on Operations at 30 September 2019 corresponds to the documentary results, books and accounting records.

Rome, 14 November 2019

Nicola Di Liello

Manager responsible for the preparation  
of the corporate accounting documents