Consolidated Interim Report as at

March 31, 2020

doValue

Sede sociale: Viale dell'Agricoltura, 7 – 37135 Verona
Capitale sociale € 41.280.000,00 interamente versato

Capogruppo del Gruppo doValue
Iscrizione al Registro delle Imprese di Verona, codice fiscale n. 00390840239 e P.IVA n. 02659940239
www.doValue.it

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Governing and control bodies

BOARD OF DIRECTORS

Chairman Giovanni Castellaneta (2) (4)

CEO Andrea Mangoni

Directors
Francesco Colasanti (6)
Emanuela Da Rin
Giovanni Battista Dagnino (3) (2)
Nunzio Guglielmino (4) (5)
Giovanni Lo Storto (1) (6)
Giuseppe Ranieri
Marella Idi Maria Villa

BOARD OF STATUTORY AUDITORS

Chairman Chiara Molon (7)

Standing Auditors
Francesco Mariano Bonifacio (8)
Nicola Lorito (8)

Alternate Auditors
Sonia Peron
Roberta Senni

AUDIT FIRM

EY S.P.A.

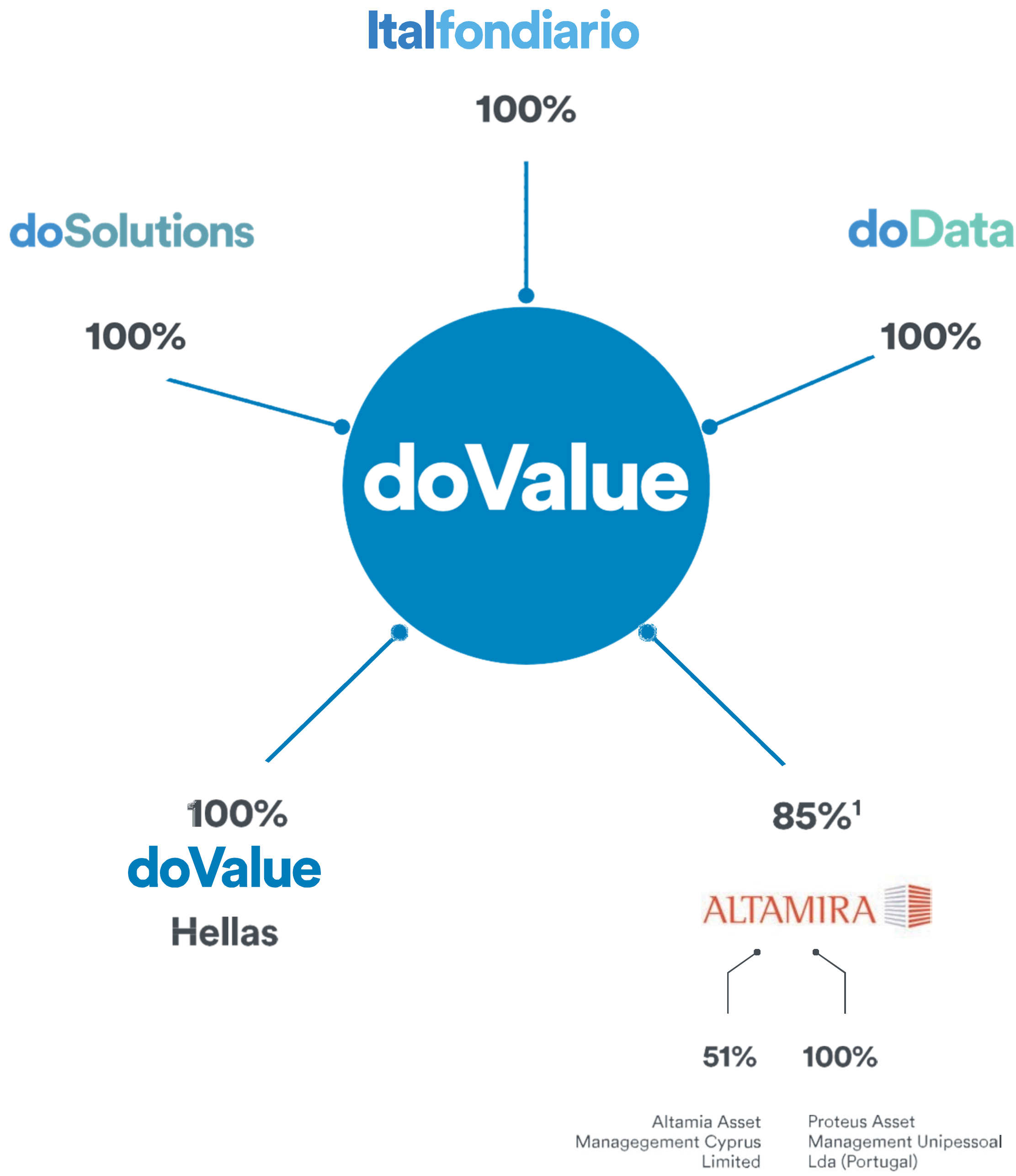
Financial Reporting Officer Elena Gottardo

(1) Chairman Appointments Committee
(2) Member Appointments Committee
(3) Chairman Risk and Transactions with Related Parties Committee
(4) Member Risk and Transactions with Related Parties Committee
(5) Chairman Remuneration Committee
(6) Member Remuneration Committee
(7) Chairman Supervisory Board pursuant to Legislative Decree 231/2001
(8) Member Supervisory Board pursuant to Legislative Decree 231/2001

GROUP STRUCTURE

doValue is southern Europe's leading provider of services for managing accounts receivalbe and real estate assets (servicing) for banks and investors, with assets under management of more than €130 billion at the end of 2019 (gross book value).

The structure of the Group at March 31, 2020, which is illustrated in the following figure, reflects the organic and external growth and diversification of doValue over 20 years of operations.



[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 Parent Company doValue SpA, a servicing company governed by Article 115 of the TULPS,[1] performs servicing activities for NPL, UTP and real estate assets, provides ancillary services such as business information services through doData and master services through ITF, and coordinates the subsidiaries' activities, which operate in a business area or a geographical market or in the delivery of technology and back-office services (doSolutions).

doValue (formerly doBank) was formed in 2016 from the combination of Italy's two largest independent servicers: UCCMB, originally part of the UniCredit Group, and Italfondiario, active since 2000 in partnership with leading specialist investors.

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].

Between 2018 and 2019 doValue experienced a period of strong expansion and broad diversification, first entering the Greek market with a contract from the four local systemic banks and later moving in to the wider southern European market, with the acquisition of Altamira Asset Management, a servicer active in Spain, Portugal and Cyprus and a leader in the management of real estate assets. doValue's development in the Italian market continued with the acquisition of new management contracts from banks and investors, in particular with the leadership in the provision of services for securitisations backed by the "GACS" government guarantees.

At the end of 2019 doValue announced an agreement for the acquisition of FPS, a Greek servicer with over €26 billion in assets under management, which enabled the Group to also become a leader in the promising Greek market. The completion of the FPS acquisition, which is expected to close by May 2020, represents a further step forward in the achievement of the Group's 2020-2022 Business Plan, which seeks to strengthen doValue's leadership in the servicing market in southern Europe using an asset-light business model that does not require direct investments in asset portfolios and pursuing increasingly greater diversification in the credit value chain.

[1] Consolidated Public Security Act

doValue: a story of growth and diversification

€ 3 bn	2000	UniCredit acquires Mediovenezie Banca and Fortress joins Italfondiario
	2003	Mediovenezie Banca is appointed UGC Banca
	2004	Fortress acquires 100% of Italfondiario
€ 38 bn	2006	Italfondiario incorporates the company managing the non-performing loans of the Intesa SanPaolo Group
€ 58 bn	2008	UGC Banca merges with Capitalia Service to create UCCMB (Unicredit Credit Management Bank)
€ 85 bn	2014	Italfondiario acquires a 45% stake in BCC Gestione Crediti
€ 85 bn	2015	Fortress acquires 100% of UCCMB from UniCredit
€ 81 bn	2016	doBank (previously Uccmb) acquires Italfondiario
€77 bn	2017	doBank is listed in the Milan Stock Exchange at 9€/share
€ 82bn	2018	doBank enters the Greek servicing market and announces the acquisition of Altamira Asset Management, active in Spain, Portugal and Cyprus
€ 131,5bn	2019	**june:** doBank gives up its banking license and takes on the name doValue, completes the acquisition of Altamira and becomes market leader in Southern Europe **december:** doValue announces the acquisition of Greek servicer FPS Loans and Credits Claim Management (completion by May 2020)

INTERIM DIRECTORS’ REPORT ON **GROUP** OPERATIONS

The summary results and financial indicators are based on accounting data and are used in management reporting to enable management to monitor performance.

They are also consistent with the most commonly used metrics in the sector, ensuring the comparability of the figures presented.

The Group's business

The doValue Group operations are focused on the provision of services to banks and investors over the entire life-cycle of loans and real estate assets ("servicing").

doValue is southern Europe's leading servicer, with over €130 billion (gross book value) in assets under management and a track record spanning 20 years.
Its business model is independent, aimed at all banks and investors in the market, and asset light: it does not require direct investments in loan portfolios.

doValue's services are remunerated under long term contracts based on a fee structure that includes fixed fees based on the volume of assets under management and variable fees linked to the performance of servicing activities, such as collections from NPL receivables or the sale of customers' real estate assets.

The Group provides services in the following categories:

- NPL Servicing: the administration, management and recovery of loans utilising in court and out-of-court recovery processes for and on behalf of third parties for portfolios mainly consisting non-performing loans;
    - within its NPL Servicing operations, doValue focuses on corporate bank loans of medium-large size and a high proportion of real estate collateral;
- Real Estate Servicing: the management of real estate assets on behalf of third parties, including:
    - Real estate collateral management: activities to develop or sell, either directly or through intermediaries, real estate owned by customers originally used to secure bank loans;
    - Real estate development: analysis, implementation and marketing of real estate development projects involving assets owned by customers;
    - Property management: management and maintenance of customers' real estate assets, with the aim of maximising profitability through sale or lease;
- UTP Servicing: the administration, management and restructuring of loans classified as unlikely-to-pay, on behalf of third parties, with the aim of returning them to performing status. This activity is mainly carried out by the subsidiary Italfondiario, which is governed under the provisions of Article 106 of the Consolidated Banking Act (financial intermediary);
- Early Arrears and Performing Loans Servicing: the management of performing loans or loans past due by less than 90 days, not yet classified as non-performing, on behalf of third parties, with the aim of supporting creditors and ensuring the rapid return of the positions to performing status;
- Ancillary Data and Products: the collection, processing and provision of commercial, real estate and legal information (through the doData subsidiary) on debtors as well as the provision of other services strictly linked to loan recovery activities, including:

- Due Diligence: 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;
- Master Servicing and Structuring: administrative, accounting, cash management and reporting services in support of the securitisation of loans; structuring services for securitisation transactions under Law 130/1999 as well as performing the role of authorised entity in securitisation transactions;
- Master Legal: the preparation and coordination of activities for the recovery of loans through court action, including the analysis of documentation, the preparation of legal opinions and assistance in the preparation of litigation;
- "Co-investment": co-investment in loan portfolios in partnership with major financial investors, where such activities are instrumental to obtaining servicing contracts. This business involves taking minority positions in securities issued by securitisation vehicles governed by Law 130/1999.

Both doValue and Italfondiario, in their capacity as special servicers, have received the following ratings: "RSS1-/CSS1-" by Fitch Ratings, and "Strong" by Standard & Poor's. The Servicer Ratings assigned to doValue and Italfondiario are the highest of those assigned to Italian operators in the sector and were assigned to doValue and Italfondiario in 2008, before any other operator in this sector 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.

Group highlights

(€/000)

Key data of the consolidated income statement	03/31/2020	03/31/2019	Change €	Change %
Gross Revenues	84,263	54,355	29,908	55%
Net Revenues	73,045	50,160	22,885	46%
Operating expenses	(54,830)	(34,987)	(19,843)	57%
EBITDA	18,215	15,173	3,042	20%
EBITDA Margin	22%	28%	(6)%	(23)%
Non-recurring items included in EBITDA[1]	(1,283)	(931)	(352)	38%
EBITDA excluding non-recurring items	19,498	16,104	3,400	21%
EBITDA Margin excluding non-recurring items	23%	30%	(6)%	(22)%
EBT	(1,835)	13,230	(15,065)	(114)%
EBT Margin		24%	(24)%	(100)%
Profit (loss) for the period attributable to the Shareholders of the parent company	(2,975)	7,712	(10,687)	(139)%
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding	121	8,286	(8,165)	(99)%

[1] 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

(€/000)

Key data of the consolidated balance sheet	03/31/2020	12/31/2019	Change €	Change %
Cash and liquid securities	134,279	128,162	6,117	5%
Intangible assets	330,718	340,879	(10,161)	(3)%
Financial assets	45,889	48,609	(2,720)	(6)%
Trade receivables	161,523	176,991	(15,468)	(9)%
Tax assets	100,255	98,554	1,701	2%
Total assets	**814,101**	**830,687**	**(16,586)**	**(2)%**
Financial liabilities	455,360	456,663	(1,303)	(0)%
Trade payables	39,252	46,969	(7,717)	(16)%
Tax Liabilities	39,888	42,347	(2,459)	(6)%
Other liabilities	23,146	25,196	(2,050)	(8)%
Provisions for risks and charges	23,349	25,669	(2,320)	(9)%
Total liabilities	**589,117**	**605,388**	**(16,271)**	**(3)%**
Shareholders' equity	**224,984**	**225,299**	**(315)**	**(0)%**

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. They are summarised in the following table.

KPIs	03/31/2020	03/31/2019	12/31/2019	CHANGE ON FIRST QUARTER €	%
Gross Book Value (EoP) - Group	134,816,908	137,175,592	131,527,995	(2,358,684)	(2%)
Gross Book Value (EoP) - Italy	77,808,637	81,403,804	78,796,103	(3,595,167)	(4%)
Collections of the period - Italy	329,785	403,045	1,893,198	(73,261)	(18%)
LTM Collections - Italy	1,821,907	1,989,776	1,893,198	(167,869)	(8%)
LTM Collections - Italy - Stock	1,809,140	1,973,616	1,794,339	(164,476)	(8%)
LTM Collections / GBV EoP - Italy - Overall	2.3%	2.4%	2.4%	(0.1%)	(4%)
LTM Collections / GBV EoP - Italy - Stock	2.4%	2.5%	2.5%	(0.1%)	(5%)
Staff FTE / Totale FTE	35%	38%	38%	(2.7%)	(7%)
LTM Collections / Servicing FTE - Italy	2.6	2.8	2.6	(14.4%)	(5%)
EBITDA	18,215	15,173	127,766	3,042	20%
Non-recurring items (NRIs) included in EBITDA	(1,283)	(931)	(12,676)	(352)	38%
EBITDA excluding non-recurring items	19,498	16,104	140,442	3,394	21%
EBITDA Margin	22%	28%	35%	(6.3%)	(23%)
EBITDA Margin excluding non-recurring items	23%	30%	39%	(6.5%)	(22%)
Profit (loss) for the period attributable to the shareholders of the parent company	(2,975)	7,712	38,318	(10,687)	(139%)
Non-recurring items included in Profit (loss) for the period attributable to the Shareholders of the Parent Company	(3,091)	(574)	(31,135)	(2,517)	n.s.
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	121	8,286	69,062	(8,165)	(99%)
Earnings per share (Euro)	(0.04)	0.10	0.48	(13.6%)	(138%)
Earnings per share excluding non-recurring items (Euro)	-	0.11	0.86	(10.4%)	(99%)
Capex	6,647	805	8,086	5,842	n.s.
EBITDA - Capex	11,568	14,368	119,680	(2,800)	(19%)
Net Working Capital	122,274	83,682	130,022	38,592	46%
Net Financial Position	(233,025)	62,125	(236,465)	(295,150)	n.s.
Leverage (Net Debt / EBITDA LTM PF)	1.4x	n.a.	1.3x	n.a.	n.a.

(1) In order to enhance the comparability of Gross Book Value (GBV) as of 03/31/2019, the values for Altamira Asset Management have been included at the reference date.

<u>**Key**</u>
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 scope of Group/Italy, gross of any potential write-downs due to expected loan losses.

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

LTM collections in last 12 months Italy: these are the recoveries for the 12 months prior to the reference date, which are used in intra-annual periods in order to enable uniform comparison with the annual figure.

LTM collections in last 12 months Stock Italy: these are the recoveries for the 12 months prior to the reference date on the Stock 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.

L**TM collections Stock/GBV (Gross Book Value) EoP Stock Italy**: the ratio between total gross LTM collections on the Stock portfolio under management at the start of the reference year and the end-period GBV of that portfolio. Compared with the previous indicator LTM collections/GBV, this metric represents the effectiveness rate of recoveries normalised for the entry of new portfolios during the reference 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 EBT attributable to Parent Company shareholders: together with other relative profitability indicators, they highlight changes in operating performance and provide useful information regarding the Group's financial performance. These data are calculated at 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.

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

EBITDA Margin excluding non-recurrent elements: 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.

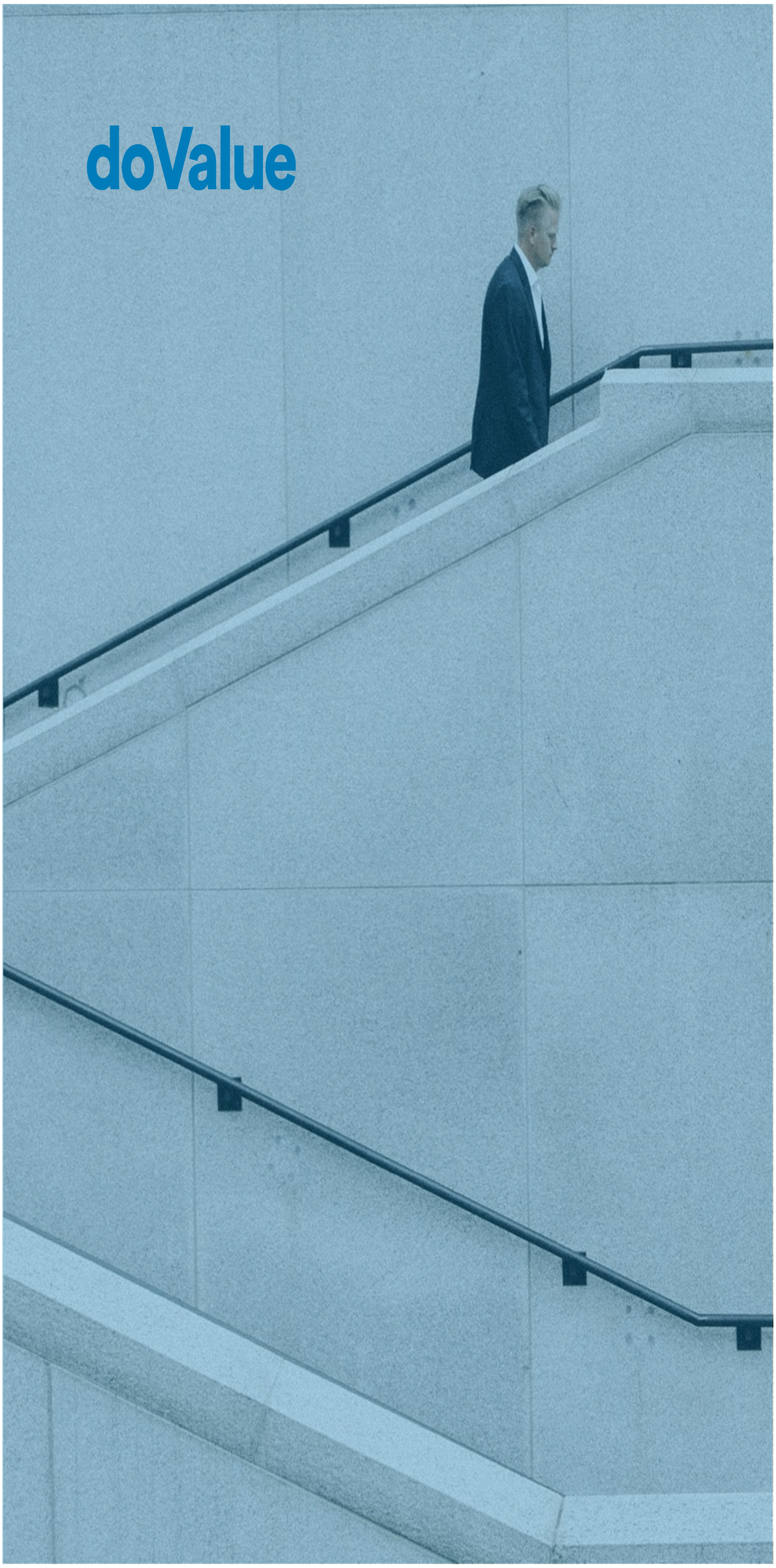
Earnings per share excluding non-recurring items: the calculation is the same as that for earnings per share, but the numerator is equal to net profit for the period excluding non-recurring items net of the associated tax effects.

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: this is the ratio between the net financial position and pro-forma EBITDA for the last 12 months to take account of significant transactions from the start of the reference year. It represents an indicator of the Group's debt level.



Group results at March 31, 2020

PERFORMANCE

The following table presents the reclassified income statement as at March 31, 2020 with comparative figures as at March 31, 2019. The figures for the first quarter of 2019 do not include Altamira Asset Management, whose acquisition was completed on June 27, 2019.

(€/000)

	03/31/2020	03/31/2019	Change €	Change %
Servicing Revenues:	75,377	48,457	26,920	56%
o/w: NPL revenues	60,486	48,457	12,029	25%
o/w: REO revenues	14,891	-	14,891	n.s.
Co-investment revenues	141	167	(26)	(16)%
Ancillary and other revenues	8,745	5,731	3,014	53%
Gross revenues	**84,263**	**54,355**	**29,908**	**55%**
NPL Outsourcing fees	(4,869)	(3,183)	(1,686)	53%
REO Outsourcing fees	(4,152)	-	(4,152)	n.s.
Ancillary Outsourcing fees	(2,197)	(1,012)	(1,185)	117%
Net revenues	**73,045**	**50,160**	**22,885**	**46%**
Staff expenses	(38,386)	(25,898)	(12,488)	48%
Administrative expenses	(16,444)	(9,089)	(7,355)	81%
Total "o.w. IT"	*(5,463)*	*(3,349)*	(2,114)	63%
Total "o.w. Real Estate"	*(1,199)*	*(1,416)*	217	(15)%
Total "o.w. SG&A"	*(9,782)*	*(4,324)*	(5,458)	126%
Operating expenses	**(54,830)**	**(34,987)**	**(19,843)**	**57%**
EBITDA	**18,215**	**15,173**	**3,042**	**20%**
EBITDA margin	**22%**	**28%**	**(6)%**	**(23)%**
Non-recurring items included in EBITDA[1]	(1,283)	(931)	(352)	38%
EBITDA excluding non-recurring items	19,498	16,104	3,394	21%
EBITDA margin excluding non-recurring items	23%	30%	(6)%	(22)%
Net write-downs on property, plant, equipment and intangibles	(14,994)	(1,646)	(13,348)	n.s.
Net provisions for risks and charges	(1,856)	(266)	(1,590)	n.s.
Net write-downs of loans	50	84	(34)	(40)%
EBIT	**1,415**	**13,345**	**(11,930)**	**(89)%**
Net income (loss) on financial assets and liabilities measured at fair value	(385)	-	(385)	n.s.
Financial interest and commissions	(2,865)	(115)	(2,750)	n.s.
EBT	**(1,835)**	**13,230**	**(15,065)**	**(114)%**
Non-recurring items included in EBT[2]	(4,302)	-	(4,302)	n.s.
EBT excluding non-recurring items	2,467	13,230	(10,763)	(81)%
Income tax for the period	(2,467)	(5,518)	3,051	(55)%
PROFIT (LOSS) FOR THE PERIOD	**(4,302)**	**7,712**	**(12,014)**	**n.s.**
Profit (loss) for the period attributable to Non-	1,327	-	1,327	n.s.
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	**(2,975)**	**7,712**	**(10,687)**	**(139)%**
Non-recurring items included in Profit (loss) for the period attributable to the Shareholders of the Parent Company	(3,260)	(574)	(2,686)	n.s.
Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interest	(169)	-	(169)	n.s.
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	121	8,286	(8,165)	(99)%
Earnings per share (in Euro)	**(0.04)**	**0.10**	**(0.1)**	**(138)%**
Earnings per share excluding non-recurring items (Euro)	*0,00*	*0.11*	*(0.10)*	(99)%

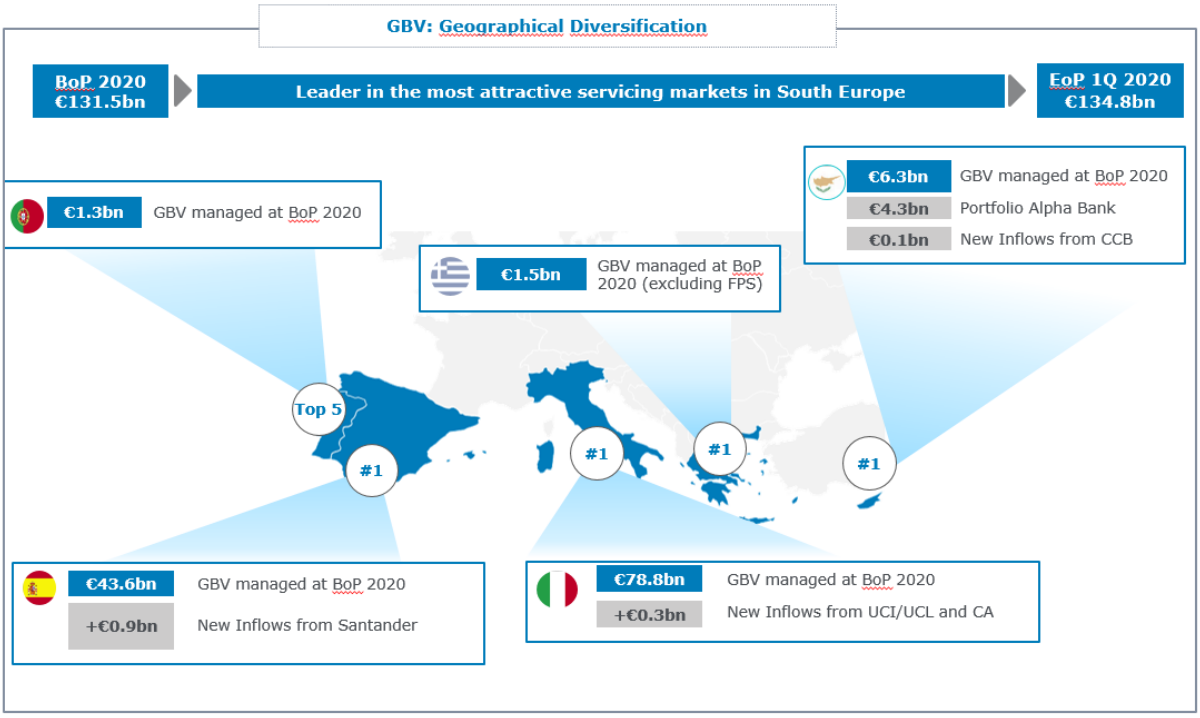
[1] Non-recurring items in Operating expenses include the costs connected with the acquisition of Altamira Asset Management S.A. and those incurred for the Group reorganisation project

[2] Non-recurring items included below EBITDA refer to (i) termination incentive plans that have therefore been reclassified from personnel expenses, (ii) income taxes and (iii) fair value delta of the Put-Option and Earn-out

Portfolio under management

At the end of March 2020 the Group's portfolio of assets under management in the 5 markets of Italy, Spain, Portugal, Greece and Cyprus amounted to €134.8 billion (GBV), up 2.5% on the end of 2019 (€131.5 billion).

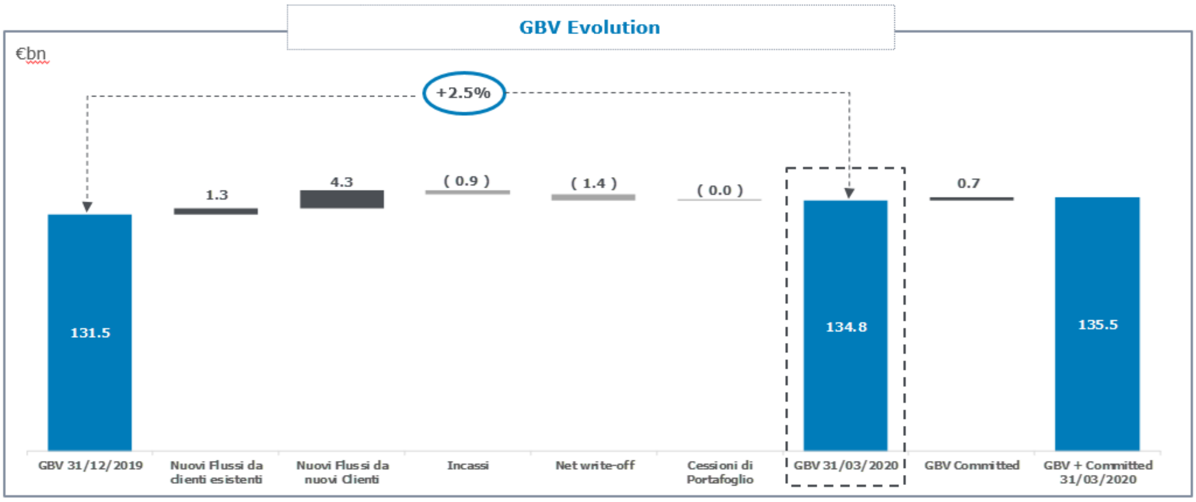
The following chart shows the geographical distribution of the GBV, giving the amount under management at the end of 2019 and the main increases registered in the first quarter of 2020.



The following figure shows developments in the portfolio under management broken down by the individual components of the overall change. The increase in the portfolio main reflects the onboarding of:

- the new contract with Alpha Bank in Cyprus in the amount of €4.3 billion, announced on October 14, 2019, the onboarding of which was completed by the end of March 2020, with operations scheduled to begin the following April;
- €1.3 billion from forward flow agreements with Banco Santander (Spain), UniCredit (Italy), and Cooperative Central Bank (CCB, Cyprus), more than three times the flows registered in the first quarter of 2019 (€0.4 billion).

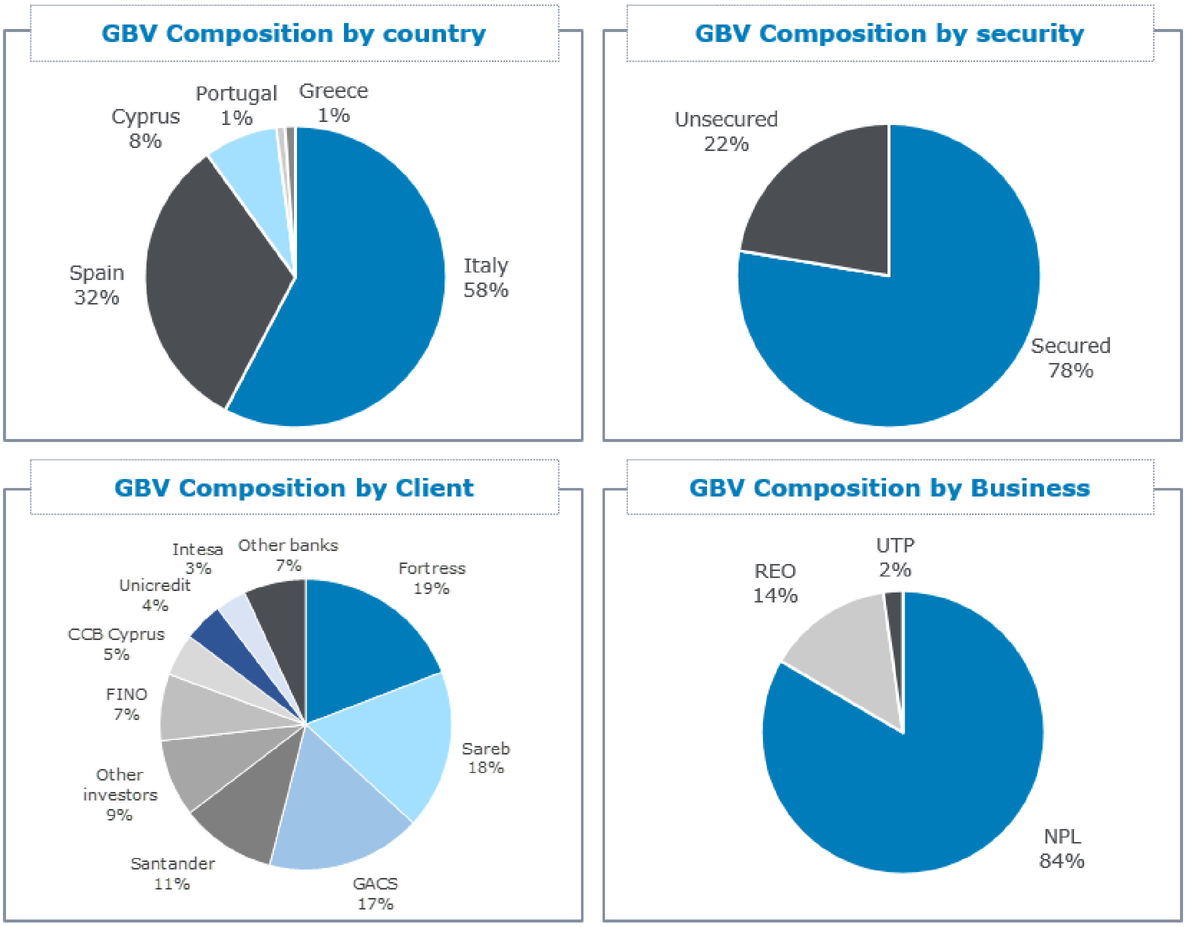
No portfolios with a material impact on GBV were transferred during the first quarter of 2020.



In addition, in Spain the Group was selected to manage a portfolio totalling €1.1 billion from a securitisation of loans by an investor who, in addition to positions already under management (€0.4 billion), assigned Altamira a further €0.7 billion, which will be onboarded in the second half of the year.

In Italy, the portfolio under management (GBV), which amounted to €78.8 billion at the end of 2019, declined to €77.8 billion, mainly reflecting collections and write-offs during the period.

The following charts show the composition of the portfolio under management in terms of geographical diversification, type of asset/business and main customers:



Group collections in the first quarter of 2020 amounted to €0.9 billion, more than twice the level in the same period of 2019, when they totalled €0.4 billion, essentially reflecting the contribution of Altamira and its contracts. By segment, the distribution of collections was as follows: €0.3 billion in the "Italy" segment, €0.4 billion in the "Iberia" segment (Spain and Portugal) and €0.1 billion in the "Greece & Cyprus" segment.

Performance

With the primary objective of safeguarding the health of employees, doValue has proactively implemented all necessary measures to prevent and manage the current coronavirus emergency as indicated by government decrees and the health authorities. The Group's full operation has been and continues to be ensured by the effective application of remote working methods, which has made it possible to limit the adverse impact of the epidemic containment measures on performance for the quarter. These measures, which have been adopted since last March and are still in place in all the markets in which the Group operates, have in any case interrupted important services necessary for servicing loans and real estate assets, notably the courts and services supporting real estate transactions.

In the first quarter of 2020, the doValue Group posted gross revenues of €84.3 million, up 55% over the €54.4 million of the same period of 2019, due mainly to the contribution of Altamira Asset Management, which was consolidated beginning in the second half of 2019. (On aggregate, a decrease of 23% was recognised as compared with the €109.8 million of 2019 pro-forma revenues.)

Revenues from servicing NPL and REO assets, in the amount of €75.4 million, increased by 56% compared with the previous year due to the significant contribution of Altamira Asset Management in the areas of both NPLs and real estate (the latter of which in the amount of €14.9 million and not present in the figures for the first quarter of 2019). This increase is particularly significant when considering that the comparison period included significant revenues from indemnities received for a major portfolio sale by a customer bank in the first quarter of 2019.

The positive trend in NPL base fees (both compared with the first quarter of 2019 and with the aggregate figure), despite virtually no change in the average fees on the GBV of assets under management, is related to two factors:

- the growth in business for the subsidiary doValue Hellas, which is responsible for managing a €1.5 billion NPL portfolio assigned by the four systemic banks in Greece;
- the greater weight of this component of revenues in the markets of southern Europe, where Altamira operates, as compared with Italy, a factor that can further strengthen the future visibility of the Group's revenues, particularly with the current external environment characterised by greater uncertainty due to the effects of the coronavirus.

In the Italy segment of NPLs:

- average performance fees are essentially stable at around 8% of net collections for the period;
- collections for the last 12 months as a ratio to end-of-period (EoP) gross book value (GBV) — given by the formula "LTM collections/EoP GBV" — came to 2.3%, a slight decline compared with the 2.4% of the first quarter of 2019. Excluding new management contracts, the indicator "LTM collections stock/EoP GBV stock" was 2.4%, with a similar decrease from the 2.5% posted in the first quarter of 2019 and again at December 2019.

Revenues from co-investment include the €141 thousand contribution (€167 thousand in 2019) from revenues on the ABS securities for the two securitisations Romeo SPV and Mercuzio Securitisation.

The contribution of **revenues from ancillary products and minor activities**, in the amount of €8.7 million (€5.7 million at March 2019), was more significant and can be attributed to the following:

- within Italy, mainly to income from data processing and provision services and other services connected with servicing activities, such as due diligence, master and structuring services, and legal services;
- for Altamira, especially to services provided in the areas of rentals, real estate

development, and diversified advisory and portfolio management activities.

These revenues account for 10% of total gross revenues for the period and increased by 53% compared with the same period of the previous year.

(€/000)

	03/31/2020	03/31/2019	Change €	Change %
NPL revenues	60,486	48,457	12,029	25%
REO revenues	14,891	-	14,891	n.s.
Co-investment revenues	141	167	(26)	(16)%
Ancillary and other revenues	8,745	5,731	3,014	53%
Gross revenues	**84,263**	**54,355**	**29,908**	**55%**
NPL Outsourcing fees	(4,869)	(3,183)	(1,686)	53%
REO Outsourcing fees	(4,152)	-	(4,152)	n.s.
Ancillary Outsourcing fees	(2,197)	(1,012)	(1,185)	117%
Net revenues	**73,045**	**50,160**	**22,885**	**46%**

Net revenues amounted to €73.0 million, an increase of 46% from the €50.2 million of 2019.

The following items were of note during the period:

- the increase, compared with the previous year, in NPL outsourcing fees, which increased by a total of 53% due to the consolidation of Altamira. Comparing 2019 on a like-for-like basis, these fees decreased by 31%, is in line with the objective of reducing the use of outsourcing and with rationalisation efforts implemented over the last year;
- the consolidation of REO outsourcing fees, in the amount of €4.2 million, related to the increase in assets under management following the acquisition of Altamira Asset Management, which is in line with business growth;
- the increase in ancillary outsourcing fees, which is also a direct result of the consolidation of Altamira Asset Management. However, comparing like-for-like with the previous year, these fees increased by 6%, in line with the growth in revenues in the respective businesses.

Operating expenses amounted to €54.8 million, an increase of 57% compared with the €35.0 million of the first quarter of 2019, due to the increase in the scope of consolidation with the inclusion of Altamira.

(€/000)

	03/31/2020	03/31/2019	Change €	Change %
Staff expenses	(38,386)	(25,898)	(12,488)	48%
Administrative expenses	(16,444)	(9,089)	(7,355)	81%
o.w. IT	*(5,463)*	*(3,349)*	*(2,114)*	63%
o.w. Real Estate	*(1,199)*	*(1,416)*	*217*	(15)%
o.w. SG&A	*(9,782)*	*(4,324)*	*(5,458)*	126%
Operating expenses	**(54,830)**	**(34,987)**	**(19,843)**	**57%**
EBITDA	**18,215**	**15,173**	**3,042**	**20%**
o.w: Non-recurring items included in EBITDA	*(1,283)*	*(931)*	*(352)*	38%
o.w: EBITDA excluding non-recurring items	*19,498*	*16,104*	*3,394*	21%

More specifically, of the €19.8 million increase, €12.5 million is attributable to staff expenses and €7.4 million to administrative expenses. Excluding the impact of the Altamira consolidation, costs decreased significantly on the whole, falling by 25% (- €8.8 million), which testifies to the effectiveness of the cost containment strategy implemented.

Staff expenses increased by 48% compared with the first quarter of 2019. Excluding the impact of Altamira, the significant decrease of 22% (down €5.6 million) was due to the twofold effect of:

- a revision of the criteria for provisioning bonuses for the period to make them more closely tied to the seasonality of business and to performance in relation to annual eligibility thresholds;
- a reduction in the size of the workforce following the start of the cost-efficiency plan defined in the 2019-2022 Business Plan.

By contrast, **administrative expenses** increased by 81% compared with the first quarter of 2019. Here, too, excluding the contribution of Altamira, the aggregate posted a decrease of 35% (down €3.2 million) due to:

- the full effect of projects announced in the 2018 plan aimed at achieving greater efficiency in the management of operating processes (especially IT and business process outsourcing);
- a sharp focus on cost management;
- the rationalisation in the number of directly managed local offices, which saw the closure in September and October 2019 of eight local offices, while one new office was opened in Verona and six others were opened under co-working agreements (thereby generating significant cost savings).

In response to the COVID-19 epidemic, the company has implemented a comprehensive plan for the further rationalisation of operating costs by taking full advantage of the cost flexibility inherent in the doValue business model.

In line with the two previous years, 2020 operating expenses again include a number of **non-recurring items** (NRIs), which are shown as adjustments to EBITDA to facilitate comparison between periods and the interpretation of structural profitability for the Group.

These non-recurring items, which were also found in the first quarter of 2019 in the amount of €0.9 million, totalled €1.3 million and mainly concern:

(i) costs related to the project to acquire the servicer Altamira Asset Management in respect of deferred bonuses for the company's management team;

(ii) the project to reorganise the Group as defined in the 2018-2020 Business Plan and work to rationalise Altamira-related business processes.

EBITDA excluding non-recurring items increased by 21% to €19.5 million (€16.1 million for the first quarter of 2019), posting a margin on revenues of 23% (vs. 30% for the comparative period). This growth in EBITDA (of €3.4 million) is due entirely to expansion in the markets of south-eastern Europe, whose profitability exceeds the Group average. As for Italy, excluding the extraordinary revenues from the aforementioned portfolio sale by a customer bank, the segment posted organic growth in EBITDA of 26%, despite a decrease in collections for the period due, in part, to the cost-containment efforts implemented over the last 12 months.
On aggregate, EBITDA excluding non-recurring items amounted to €19.4 million, a decrease of 41% compared with the €33.0 million in pro-forma EBITDA including Altamira for the first quarter of 2019.

Including non-recurring expenses, EBITDA comes to €18.2 million, an increase of 20% compared with the same period of 2019 (€15.2 million).

EBIT for the Group totalled €1.4 million, compared with €13.3 million in the same period of 2019 (-89%). This contraction reflects the increase in the amortisation of intangible assets, mainly the contract with Santander and Sareb deriving from the acquisition of Altamira Asset Management. **EBT**, on the other hand, turned negative at -€1.8 million, down from the positive €13.2 million for the same period of the previous year, which is in line with the increase in financial expenese connected with the financing received for the Altamira acquisition.

(€/000)

	03/31/2020	03/31/2019	Change €	Change %
EBITDA	**18,215**	**15,173**	**3,042**	**20%**
Net write-downs on property, plant, equipment and intangibles	(14,994)	(1,646)	(13,348)	n.s.
Net provisions for risks and charges	(1,856)	(266)	(1,590)	n.s.
Net write-downs of loans	50	84	(34)	(40)%
EBIT	**1,415**	**13,345**	**(11,930)**	**(89)%**
Net income (loss) on financial assets and liabilities measured at fair value	(385)	-	(385)	n.s.
Net financial interest and commissions	(2,865)	(115)	(2,750)	n.s.
EBT	**(1,835)**	**13,230**	**(15,065)**	**(114)%**

EBT includes non-recurring expenses in the amount of €4.3 million related to:

- €2.6 million in costs for early termination incentives;
- €0.4 million for the time value of the put option and earn-out (both related to the Altamira operation);
- non-recurring costs included in operating expenses indicated above.

Depreciation, amortisation and impairment amounted to €15.0 million, a significant increase from the first quarter of 2019 (up €13.3 million). This aggregate mainly includes the amortisation of the Altamira servicing agreements, which are classified as intangible assets given the particular characteristics of the servicing market in Spain, which, in the past, saw the leading operators investing in long-term asset management agreements.
The total also includes the amortisation of lease agreements following the introduction of IFRS 16 as of January 1, 2019. The total impact on 2020 was €2.4 million, whereas for the first quarter of 2019 it was €1.6 million. The remainder of amortisation primarily concerns software licenses connected with technology investments made by the Group during the period aimed at upgrading the IT platform.

Net provisions for risks and charges totalled €1.9 million, which is a significant increase from the previous period (up €1.6 million). This is mainly attributable to provisions for termination incentives paid to employees (€2.6 million granted to 26 employees in Italy and within the Altamira segment) participating in the Company's plan, in line with the targets of the 2020-2022 business plan. This was partially offset by reversals of provisions set aside for existing contracts in previous years that are now deemed to be no longer necessary.

(€/000)

	03/31/2020	03/31/2019	Change €	Change %
EBT	**(1,835)**	**13,230**	**(15,065)**	**(114)%**
Income tax for the period	(2,467)	(5,518)	3,051	(55)%
Profit (Loss) for the period	**(4,302)**	**7,712**	**(12,014)**	**n.s.**
Profit (loss) attributable to Non-controlling interests	1,327	-	1,327	n.s.
Profit (loss) attributable to the shareholders of the Parent company	**(2,975)**	**7,712**	**(10,687)**	**(139)%**
Non-recurring items included in Profit (loss) attributable to the Shareholders of the Parent Company	(3,260)	(574)	(2,686)	n.s.
Non-recurring items included in Profit (loss) attributable to Non-controlling interests	(169)	-	(169)	n.s.
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	**121**	**8,286**	**(8,165)**	**(99)%**
Earnings per share (in Euro)	**(0.04)**	**0.10**	**(0.14)**	**(138)%**
Earnings per share excluding non-recurring items (Euro)	0.00	0.11	(0.10)	(99)%

Income tax for the period is estimated at €2.5 million despite the loss posted at the EBT level for the period. This expense is due to the inability to recognise additional deferred tax assets for the Spanish subsidiary Altamira Asset Management SA (compared with those that were recognised as at December 31, 2019) to cover the loss for the period, which would have had a positive impact in terms of decreased income tax expense in the amount of €3.1 million. Income tax also includes the portion for the period of the DTA charge in the amount of €0.5 million.

The **tax rate**, calculated by excluding non-recurring items and normalising the effects of the deferred tax assets of Altamira SA and of the DTA charge, comes to 20%, compared with the 38% for the same period of 2019. In this regard, the impact of the foreign subsidiaries (and of Cyprus in particular) on the normalised tax rate is evident, given that they enjoy a lower overall fiscal burden than that of the Italian companies.

Net of non-recurring items and taking account of the related tax effect, **net profit attributable to the shareholders of the Parent Company excluding non-recurring items** is just €121 thousand, down from the €8.3 million of the first quarter of 2019. Including non-recurring items, the result is a **net loss attributable to the shareholders of the Parent Company** of €3.0 million.

SEGMENT REPORTING

The international expansion of doValue, first in Greece and then more extensively into southern Europe with the acquisition of Altamira, has resulted in a revision to the manner in which management assesses and analyses our business, transitioning from a segmentation by customers and business lines to a geographical segmentation.
This segmentation is tied to specific factors of the entities included in each category and to the type of market. As a result, the geographical areas defined are: Italy, Greece and Cyprus, and Iberia (Spain and Portugal).
Based on these criteria, the following table shows the revenues and EBITDA for the period for each of these business segments.

For the first quarter of 2020, gross revenues totalled €84.3 million and EBITDA excluding non-recurring items came to €19.5 million.
The Italy segment accounts for 49% of EBITDA excluding non-recurring items for the Group (compared with 41% for Iberia and 10% for Greece & Cyprus), whereas the margin at the level of EBITDA excluding non-recurring items is slightly higher in the Italy segment (25%) than in the other two segments, which are essentially similar at 22% for Greece & Cyprus and 21% for Iberia.

(€/000)

Condensed consolidated income statement	first quarter 2020 vs 2019			
	Italy	Greece & Cyprus	Spain & Portugal	Total
Servicing revenues				
Year 2020	32,351	8,957	34,069	75,377
Year 2019	48,457	-	-	48,457
Change	*(16,106)*	*8,957*	*34,069*	*26,920*
Co-investment revenues, ancillary and other				
Year 2020	5,498	77	3,311	8,886
Year 2019	5,898	-	-	5,898
Change	*(400)*	*77*	*3,311*	*2,988*
Staff expenses				
Year 2020	(3,262)	(501)	(7,455)	(11,218)
Year 2019	(4,195)	-	-	(4,195)
Change	*933*	*(501)*	*(7,455)*	*(7,023)*
Staff expenses				
Year 2020	(19,876)	(4,563)	(13,947)	(38,386)
Year 2019	(25,898)	-	-	(25,898)
Change	*6,022*	*(4,563)*	*(13,947)*	*(12,488)*
Administrative expenses				
Year 2020	(5,485)	(1,942)	(9,017)	(16,444)
Year 2019	(9,089)	-	-	(9,089)
Change	*3,604*	*(1,942)*	*(9,017)*	*(7,355)*
EBITDA excluding non-recurring items				
Year 2020	9,487	2,028	7,983	19,498
Year 2019	16,104	-	-	16,104
Change	*(6,617)*	*2,028*	*7,983*	*3,394*
EBITDA Margin excluding non-recurring items				
Year 2020	25%	22%	21%	23%
Year 2019	30%	-	-	30%
Change	*(5%)*	*22%*	*21%*	*(6%)*

Group Financial Position

INTRODUCTION

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.
At the end of this interim report on Group operations, 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 consolidated financial statements.

(€/000)

	03/31/2020	12/31/2019	Change Amount	Change %
Cash and liquid securities	134,279	128,162	6,117	5%
Financial assets	45,889	48,609	(2,720)	(6)%
Property, plant and equipment	25,698	23,904	1,794	8%
Intangible assets	330,718	340,879	(10,161)	(3)%
Tax assets	100,255	98,554	1,701	2%
Trade receivables	161,523	176,991	(15,468)	(9)%
Assets held for sale	10	10	-	n.s.
Other assets	15,729	13,578	2,151	16%
TOTAL ASSETS	**814,101**	**830,687**	**(16,586)**	**(2)%**
Financial liabilities: due to banks	367,304	364,627	2,677	1%
Other financial liabilities	88,056	92,036	(3,980)	(4)%
Trade payables	39,252	46,969	(7,717)	(16)%
Tax Liabilities	39,888	42,347	(2,459)	(6)%
Employee Termination Benefits	8,122	8,544	(422)	(5)%
Provision for risks and charges	23,349	25,669	(2,320)	(9)%
Other liabilities	23,146	25,196	(2,050)	(8)%
TOTAL LIABILITIES	**589,117**	**605,388**	**(16,271)**	**(3)%**
Share capital	41,280	41,280	-	n.s.
Reserves	186,863	145,885	40,978	28%
Treasury shares	(184)	(184)	-	n.s.
Profit (loss) for the period attributable to the Shareholders of the Parent Company	(2,975)	38,318	(41,293)	(108)%
NET EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	**224,984**	**225,299**	**(315)**	**(0)%**
TOTAL LIABILITIES AND NET EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE	**814,101**	**830,687**	**(16,586)**	**(2)%**
TOTAL LIABILITIES AND NET EQUITY	**814,101**	**830,687**	**(16,586)**	**(2)%**

Financial assets went from €48.6 million to €45.9 million, a reduction of €2.7 million due mainly to the collection of trade receivables.

A breakdown of financial assets is reported in the following table.

(€/000)

	03/31/2020	12/31/2019	Change €	Change %
At fair value through profit or loss	**33,508**	**33,588**	**(80)**	**(0)%**
Debt securities	4,539	4,619	(80)	(2)%
CIUs	28,923	28,923	-	n.s.
Equity instruments	46	46	-	n.s.
At amortized cost	**12,381**	**15,021**	**(2,640)**	**(18)%**
deposits	86	86	-	n.s.
L&R with customers	12,295	14,935	(2,640)	(18)%
TOTAL	**45,889**	**48,609**	**(2,720)**	**(6)%**

The increase of €1.8 million in **property, plant and equipment** reflects the new IT lease agreements in the amount of €4.0 million and depreciation for the period.

Intangible assets, on the other hand, decreased by €12.5 million, reflecting the net effect of amortisation for the period in the amount of €12 million and new acquisitions, mainly software, in the amount of €1.8 million.

The following is a breakdown of **intangible assets**.

(€/000)

	03/31/2020	12/31/2019	Change €	Change %
Software	17,823	18,543	(720)	(4)%
Brands	37,495	38,359	(864)	(2)%
Assets under development and payments on account	1,803	2,291	(488)	(21)%
Goodwill	137,976	137,969	7	0%
Other intangible assets	135,621	143,717	(8,096)	(6)%
TOTAL	**330,718**	**340,879**	**(10,161)**	**(3)%**

Trademarks, goodwill and other intangible assets are essentially exclusively related to the acquisition of Altamira Asset Management SA (Altamira) and its two subsidiaries in June 2019, allocated based on the provisional purchase price allocation described in the section "Business Combinations" in the Reports and Consolidated Financial Statements for the year ended December 31, 2019.

Tax assets as at March 31, 2020, break down as follows:

(€/000)

	03/31/2020	12/31/2019	Change €	Change %
Current tax assets	**979**	**1,141**	**(162)**	**(14)%**
Paid in advance	1,768	1,812	(44)	(2)%
Tax credits	(627)	-	(627)	n.s.
Tax liabilities	(162)	(671)	509	(76)%
Deferred tax assets	**90,206**	**90,740**	**(534)**	**(1)%**
Write-down on loans	49,329	49,329	-	n.s.
Tax losses carried forward in the future	13,024	13,082	(58)	(0)%
Property, plants and equipment / Intangible assets	22,637	22,637	-	n.s.
Other assets / liabilities	104	112	(8)	(7)%
Provisions	5,112	5,580	(468)	(8)%
Other tax receivables	**9,070**	**6,673**	**2,397**	**36%**
TOTAL	**100,255**	**98,554**	**1,701**	**2%**

Deferred tax assets were virtually unchanged from December 31, 2019, with one release during the period in the amount of €534 thousand.
Other tax receivables, on the other hand, increased by €2.4 million in the quarter, attributable mainly to VAT receivables.

The following is a breakdown of **tax liabilities**:

(€/000)

	03/31/2020	12/31/2019	Change €	Change %
Taxes for the period	7,743	7,853	(110)	(1)%
Deferred tax liabilities	25,664	24,886	778	3%
Other tax payables	6,481	9,608	(3,127)	(33)%
TOTAL	**39,888**	**42,347**	**(2,459)**	**(6)%**

The amount of **deferred tax liabilities** shown refers to the effect deriving from the Altamira business combination, and in particular from the purchase price allocation process as a tax effect of the fair value adjustments made to the initial consolidation values of the acquired company.
Financial liabilities – due to banks amounted to €367.3 million as at March 31, 2020. The item includes the residual liability in respect of the 5-year facility loan obtained for the acquisition of Altamira. The nominal amount of the credit line is €415 million, paying a variable rate of 2.50% as at March 31, 2020, linked to 6-month Euribor plus a spread based on a number of financial covenants.

Other financial liabilities at the end of the first quarter of 2020 are detailed below:

(€/000)

	03/31/2020	12/31/2019	Change €	Change %
Lease liabilities	17,740	18,027	(287)	(2)%
Earn-out	40,058	39,811	247	1%
Put option on non-controlling interests	29,806	33,194	(3,388)	(10)%
Hedging derivatives	404	367	37	10%
Other financial liabilities	48	637	(589)	(92)%
TOTAL	**88,056**	**92,036**	**(3,980)**	**(4)%**

Lease liabilities include the discounted value of future lease payments, in accordance with the provisions of IFRS 16.
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. by 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 March 31, 2020.

Provisions for risks and charges contracted by €2.3 million compared with the end of 2019 due to the combined effect of new allocations, uses and releases in respect of litigation and out-of-court disputes during the period and for staff incentive provisions.

(€/000)

	03/31/2020	12/31/2019	Change €	Change %
Legal disputes	13,326	14,035	(709)	(5)%
Staff expenses	6,595	7,359	(764)	(10)%
Other	3,428	4,275	(847)	(20)%
TOTAL	**23,349**	**25,669**	**(2,320)**	**(9)%**

NET WORKING CAPITAL

(€/000)

	03/31/2020	12/31/2019
Trade receivables	161,523	176,991
Trade payables	(39,252)	(46,969)
TOTAL	**122,271**	**130,022**

The figure for the period, €122.3 million, represents a decrease of €7.8 million compared with the end of December 2019, whereas the comparison with March 2019 reflects the change in the scope of consolidation with the addition of Altamira effective as of June 2019.
The increase in net working capital for the quarter is particular significant given that it was achieved despite the negative impact of the coronavirus epidemic and is confirmation of the strength of the doValue business model.

NET FINANCIAL POSITION

(€/000)

		03/31/2020	12/31/2019	03/31/2019
A	Cash	134,279	128,162	61,124
B	Liquid securities	-	-	1,001
C	**Liquidity (A)+(B)**	**134,279**	**128,162**	**62,125**
D	Current bank debts	(82,108)	(79,683)	-
E	**Net current financial position (C)+(D)**	**52,171**	**48,479**	**62,125**
F	Non-current bank debts	(285,196)	(284,944)	-
G	**Net financial position (E)+(F)**	**(233,025)**	**(236,465)**	**62,125**

Net financial position as at March 31, 2020, as detailed in the table, improved slightly compared with the end of 2019 as a result of the Group's operating performance for the quarter and of structurally limited investment needs. A further improvement in the net financial position came at the end of April 2020 with an increase in the liquidity position to about €170 million.

OPERATING CASH FLOW

(€/000)

	03/31/2020	03/31/2019
EBITDA	18,215	15,173
Capex	(6,647)	(805)
EBITDA-Capex	**11,568**	**14,368**
as % of EBITDA	64%	95%
Adjustment for accrual on share-based incentive system payments	489	1,308
Changes in NWC (Net Working Capital)	7,732	(6,308)
Changes in other assets/liabilities	(13,848)	(1,303)
Operating Cash Flow	**5,941**	**8,065**
Tax paid (IRES/IRAP)	-	-
Free Cash Flow	**5,941**	**8,065**
(Investments)/divestments in financial assets	(2,501)	(14,038)
Equity (investments)/divestments	-	-
Dividend paid	-	-
Net Cash Flow of the period	**3,440**	**(5,973)**
Net financial Position - Beginning of period	(236,465)	68,098
Net financial Position - End of period	(233,025)	62,125
Change in Net Financial Position	**3,440**	**(5,973)**

Operating cash flow totalled €5.9 million from a starting EBITDA of €18.2 million. The developments in net working capital (up €7.7 million) made a positive impact, whereas the most significant negative impact, in addition to investment, came from the change in other assets/liabilities, where assets increased for the period (mainly attributable to VAT receivables and advances to suppliers for the acquisition of FPS) and current liabilities (primarily employee payables) decreased.

No taxes were paid during the quarter, so free cash flow is the same as operating cash flow.

Net cash flow for the period came to €3.4 million and was negatively impacted by the €2.5 million cash-out of financial assets.

Significant events during **the period**

Onboarding of new loan portfolios

During the quarter, the portfolio under management saw the onboarding of about €4.3 billion in new positions under the agreement signed with Alpha Bank in Cyprus in October 2019, as well as about €1.3 billion from existing customers under long-term forward flow agreements in place in Spain, Italy and Cyprus. During the quarter, the volume of these forward flow agreements was more than three times greater the amount recorded in the first three months of 2019 (€0.4 billion).

New credit servicing agreement

During the first quarter of 2020, the Group obtained a new contract for an NPL portfolio originated in Spain and transferred from one of doValue's leading customers in the local market, an international investor specialising in distressed credit. The transaction involves a total of €1.1 billion (gross book value) of assets, of which €0.4 billion already under management by the Group.

Significant events after the end of the period

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING CALLED

On April 22, 2020, the Board of Directors of doValue S.p.A. resolved to call the Ordinary and Extraordinary Shareholders' Meeting, for May 26, 2020, in a single call. For further information, see the Company's website, www.dovalue.it, in the section "Governance - Shareholders' Meeting".

OUTSOURCING OF FUNCTIONS

The analysis and structuring of the project, announced in a press release of March 20, to assess the feasibility of outsourcing the Information Technology functions and the back-office Operations functions to a contractor specialised in Business Process Outsourcing are nearing completion, taking due account of the gradual international expansion of the Group. This initiative seeks to improve the Group's operating performance in the execution of evolutionary projects, mainly in the Information Technology field and also generate cost savings that will enable the reduction of the Group's operating costs and investments at any given level of services and projects delivered, making them even more flexible in directing the synergies envisaged in the plan for integration with Altamira. The project is expected to be completed during the third quarter of the year.

CORONAVIRUS PANDEMIC

The international health emergency declared in January 2020 by the World Health Organisation (WHO) as a consequence of the spread of coronavirus has caused a significant slowdown in activity in the period, in some cases the interruption of economic and commercial activity in multiple sectors.
Market turbulence persists, which amplifies the level of uncertainty of the estimates of possible developments in terms of the economic impact of the spread of the coronavirus around the world, Europe and Italy. Short-term macroeconomic forecasts will therefore be subject to changes that are currently not precisely quantifiable.
However, in light of the information available to date, considering the organisational measures implemented to guarantee business continuity, the multiple cost containment initiatives put in place, and taking account of the type of business conducted by the Group, which is structurally flexible in the different phases of the economic cycle, it is believed that there is currently no risk of having to adjust the carrying amounts of the assets and liabilities reported in these financial statements.

With particular regard to the intangible assets resulting from the acquisition of Altamira Asset Management, for which the allocation of the purchase price is still provisional, the Company,

while taking account of the difficulty inherent in the formulation of even short or medium-term forecasts in this climate of significant uncertainty and considering that Altamira holds medium/long-term management contracts for existing loans (stock) and future positions (flow) with leading banks and major investment funds, has conducted a sensitivity analysis of the recoverability of positions in accordance with the recommendations issued by Consob on April 9, 2020 (Warning notice no. 6/20 of 4-9-2020 - Subject: COVID 19 – Warning notice on financial reporting).
As part of this sensitivity exercise, the 2020-2022 Business Plan, approved in November 2019, was subjected to two stress scenarios with different degrees of reduction in the expected margins for 2020 and 2021.
Based on these forecasts, even in the most pessimistic hypothetical scenario the positive results obtained easily confirm the validity of the overall values for the intangible assets recognised in the condensed quarterly consolidated financial statements at March 31, 2020 of the doValue Group. The purchase price allocation pursuant to IFRS 3 must be finalised at June 30, 2020 and, at that time, considering the current coronavirus emergency, an impairment test will be performed with any updated information on developments in the pandemic and an estimate of the effects that this will have had in general for the NPL servicing market and in particular for Altamira Asset Management (For more information, please see to the sections Accounting Policies and Note 1 Intangible assets in the explanatory notes).

Outlook for **operations**

The current economic conditions linked to the effects of the coronavirus emergency, which are not expected to translate into structural changes in the dynamics of the sector, call for a cautious approach in the short term, in a context of limited visibility. More specifically, despite the operational continuity of doValue operations in all its markets, the Group is carefully monitoring the reduced activity of the legal system and public services in general, together with decisions on bank moratoriums and developments in the real estate sector that can impact the time needed to manage positions and collections.

The seasonality of the Group's collections, which are concentrated on the last quarter of the year, our significant geographical, product and customer diversification and the flexibility of costs, in particular outsourcing costs and the employee incentive plan, are factors that mitigate the short-term adverse impacts of the crisis in view of a potential recovery in the second half of the year.

Finally, it is believed that the doValue business model is able to respond to the various phases of the economic cycle with the expansion of assets under management or collections, respectively, during the contraction or expansion of the cycle itself, consistent with the mission of the Group to support banks, investors, companies and individuals in all phases of credit management, fostering the sustainable development of the financial system. More indications on developments in 2020 will be provided during the year.

Main **risks** and **uncertainties**

In consideration of the activities it performs and the results achieved, the financial position of the doValue Group is appropriately scaled to meet its needs.

The financial policy pursued is aimed at fostering the stability of the Group, which in view of its operations does not currently or prospectively intend to engage in speculative investment activity.

With regard to the main risks and uncertainties, the current financial markets' situation and the consequences of any economic and financial effects deriving from the spread of the coronavirus inevitably involve elements of uncertainty, even in the presence of stable macroeconomic conditions. The Group believes in any case that at present there are no doubts regarding its ability to continue to operate as a going concern.

Other **information**

MANAGEMENT AND COORDINATION

As at March 31, 2020, 25.05% of the shares of the Parent Company doValue are owned by its largest shareholder, Avio S.à r.l., a company incorporated in Luxembourg, affiliated with the Fortress Group which in turn was acquired by Softbank Group Corporation in December 2017. A further 1.83% of doValue shares are held by other investors similarly connected with Softbank Group Corporation, which there by holds an overall stake of 26.88%.
As at March 31, 2020, the residual 71.67% of the shares were placed on the market and the remaining 1.45% is represented by 1,164,174 treasury shares, measured at cost, for a total of €184 thousand held by the Parent Company.
The majority shareholder does not exercise any management or coordination powers over doValue pursuant to Article 2497 et seq. of the Civil Code, as it does not issue directives to doValue and, more generally, does not interfere in the management of the Group. Accordingly, the strategic and management policies of the doValue Group and all of its activities in general are the product of the independent self-determination of the corporate bodies and do not involve external management by Avio.
The Parent Company doValue exercises its management and coordination powers over its direct subsidiaries as provided for in the legislation referred to above.

TRANSACTIONS IN TREASURY SHARES

At March 31, 2020, doValue held 1,164,174 treasury shares, equal to 1.5% of the total share capital. Their carrying amount is €184 thousand and they are presented in the financial statements as a direct reduction of shareholders' equity under "Treasury shares". The item "Other reserves" includes the associated equity reserve in the same amount.

The Board of Directors' meeting of April 22, 2020 also approved a proposal to the Ordinary Shareholders' Meeting scheduled for May 26, 2020, for the purchase of treasury shares on the market up to a maximum of 8,000,000 ordinary shares of doValue S.p.A., equal to 10% of the total, for a period of 18 months from the Shareholders' Meeting approval.

RESEARCH AND DEVELOPMENT

During the period the Group continued to invest in a number of technological innovation projects, which are expected to bring a competitive advantage in the future.

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 November 7, 2019.
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.

With regard to paragraph 8 of Article 5 - "Public information on transactions with related parties" of the Consob Regulations containing provisions relating to transactions with related parties (adopted by Consob with Resolution no. 17221 of March 12, 2010 and subsequently amended with Resolution no. 17389 of June 23, 2010), please note that:

a) on the basis of the policy concerning transactions with related parties adopted by the Board of Directors of doValue S.p.A. on November 7, 2019, during the first quarter of 2020 no transactions of greater importance were carried out;
b) during the first quarter of 2020 no transactions with related parties were carried out, as defined pursuant to Article 2427, paragraph 22-bis of the Italian Civil Code, on conditions different from normal market conditions that significantly influenced the performance and financial position of the Group;
c) during the first quarter of 2020 there were no changes or developments in individual transactions with related parties already discussed in the last annual report that had a significant effect on the Group's financial position or performance in the reference period.

For further information on transactions with related parties please refer to the specific section in the notes to the financial statements.

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, as 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.

Rome, May 12, 2020 Board of Directors

STATEMENT RECONCILING THE CONSOLIDATED INCOME STATEMENT AND THE STATUTORY CONSOLIDATED INCOME STATEMENT

(€/000)

	03/31/2020	31/03/2019
NPL revenues	**60,486**	**48,457**
o.w. Revenue from contracts with customers	60,227	48,457
o.w. Other revenue	259	-
REO revenues	**14,891**	**-**
o.w. Revenue from contracts with customers	12,463	-
o.w. Other revenue	2,428	-
Co-investment revenues	**141**	**167**
o.w. Financial (expense)/income	141	167
Ancillary and other revenues	**8,745**	**5,731**
o.w. Financial (expense)/income	3	16
o.w. Revenue from contracts with customers	1,939	1,078
o.w. Other revenue	6,835	4,677
o.w. Costs for services rendered	(61)	-
o.w. Other operating (expense)/income	29	(40)
Gross revenues	**84,263**	**54,355**
NPL Outsourcing fees	**(4,869)**	**(3,183)**
o.w. Costs for services rendered	(4,869)	(3,183)
REO Outsourcing fees	**(4,152)**	**-**
o.w. Costs for services rendered	(4,152)	-
Ancillary Outsourcing fees	**(2,197)**	**(1,012)**
o.w. Costs for services rendered	(1,118)	-
o.w. Administrative expenses	(1,079)	(1,012)
Net revenues	**73,045**	**50,160**
Staff expenses	**(38,386)**	**(25,898)**
o.w. Personnel expenses	(38,386)	(25,898)
Administrative expenses	**(16,444)**	**(9,089)**
o.w. Personnel expenses	**(1,469)**	**(106)**
o.w. Personnel expenses - o.w. SG&A	(1,469)	(106)
o.w. Administrative expenses	**(15,171)**	**(9,451)**
o.w. Administrative expenses - o.w. IT	(5,463)	(3,349)
o.w. Administrative expenses - o.w: Real Estate	(1,199)	(1,397)
o.w. Administrative expenses - o.w. SG&A	(8,509)	(4,705)
o.w. Other revenue	**207**	**468**
o.w. Other revenue - o.w: Real Estate	-	(19)
o.w. Other revenue - o.w. SG&A	207	487
o.w. Costs for services rendered	**(11)**	**-**
o.w. Costs for services rendered - o.w. SG&A	(11)	-
Total "o.w. IT"	*(5,463)*	*(3,349)*
Total "o.w. Real Estate"	*(1,199)*	*(1,416)*
Total "o.w. SG&A"	*(9,782)*	*(4,324)*
Operating expenses	**(54,830)**	**(34,987)**
EBITDA	**18,215**	**15,173**
EBITDA margin	**22%**	**28%**
Non-recurring items included in EBITDA	(1,283)	(931)
EBITDA excluding non-recurring items	19,498	16,104
EBITDA Margin excluding non-recurring items	23%	30%
Net write-downs on property, plant, equipment and intangibles	**(14,994)**	**(1,646)**
o.w. Depreciation, amortisation and impairment	(14,994)	(1,646)
Net Provisions for risks and charges	**(1,856)**	**(266)**
o.w. Personnel expenses	(2,634)	-
o.w. Provisions for risks and charges	844	(228)
o.w. Other operating (expense)/income	(47)	(38)
o.w. Depreciation, amortisation and impairment	(19)	-
Net Write-downs of loans	**50**	**84**
o.w. Depreciation, amortisation and impairment	2	23
o.w. Other revenue	48	61
EBIT	**1,415**	**13,345**

Net income (loss) on financial assets and liabilities measured at fair value	**(385)**	**-**
o.w. Financial (expense)/income	(385)	-
Financial interest and commissions	**(2,865)**	**(115)**
o.w. Financial (expense)/income	(2,810)	(62)
o.w. Costs for services rendered	(55)	(53)
EBT	**(1,835)**	**13,230**
Non-recurring items included in EBT	(4,302)	-
EBT excluding non-recurring items	2,467	13,230
Income tax for the period	**(2,467)**	**(5,518)**
o.w. Administrative expenses	(454)	(450)
o.w. Income tax expense	(2,013)	(5,068)
PROFIT (LOSS) FOR THE PERIOD	**(4,302)**	**7,712**
Profit (loss) for the period attributable to Non-controlling interests	1,327	-
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	**(2,975)**	**7,712**
Non-recurring items included in Profit (loss) for the period attributable to the Shareholders of the Parent Company	(3,260)	(574)
Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interest	(169)	-
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	121	8,286
Earnings per share (in Euro)	**(0.04)**	**0.10**
Earnings per share excluding non-recurring items (Euro)	***0.00***	***0.10***

STATEMENT RECONCILING THE RECLASSIFIED CONSOLIDATED BALANCE SHEET AND THE STATUTORY CONSOLIDATED BALANCE SHEET

(€/000)

	03/31/2020	12/31/2019
Cash and liquid securities	**134,279**	**128,162**
Cash and cash equivalents	134,279	128,162
Financial assets	**45,889**	**48,609**
Non-current financial assets	45,888	48,609
Current financial assets	1	-
Property, plant and equipment	**25,698**	**23,904**
Property, plant and equipment	25,561	23,767
Inventories	137	137
Intangible assets	**330,718**	**340,879**
Intangible assets	330,718	340,879
Tax assets	**100,255**	**98,554**
Deferred tax assets	90,206	90,740
Other current assets	9,061	6,673
Tax assets	988	1,141
Trade receivables	**161,523**	**176,991**
Trade receivables	161,523	176,991
Assets held for sale	**10**	**10**
Assets held for sale	10	10
Other assets	**15,729**	**13,578**
Other current assets	15,622	13,472
Other non-current assets	107	106
TOTAL ASSETS	**814,101**	**830,687**
Financial liabilities: due to banks	**367,304**	**364,627**
Loans and other financing non-current	285,196	284,944
Loans and other financing current	82,108	79,683
Other financial liabilities	**88,056**	**92,036**
Loans and other financing non-current	14	637
Loans and other financing current	34	-
Other non-current financial liabilities	40,477	43,923
Other current financial liabilities	47,531	47,476
Trade payables	**39,252**	**46,969**
Trade payables	39,252	46,969
Tax Liabilities	**39,888**	**42,347**
Tax payables	14,224	17,461
Deferred tax liabilities	25,664	24,886
Employee Termination Benefits	**8,122**	**8,544**
Employee benefits	8,122	8,544
Provision for risks and charges	**23,349**	**25,669**
Provisions for risks and charges	23,349	25,669
Other liabilities	**23,146**	**25,196**
Other current liabilities	23,146	25,196
TOTAL LIABILITIES	**589,117**	**605,388**
Share capital	**41,280**	**41,280**
Share capital	41,280	41,280
Reserves	**186,863**	**145,885**
Valuation reserve	(44)	(13)
Other reserves	186,907	145,898
Treasury shares	**(184)**	**(184)**
Treasury shares	(184)	(184)
Profit (loss) for the period attributable to the Shareholders of the Parent Company	**(2,975)**	**38,318**
Profit (loss) for the period attributable to the Shareholders of the Parent Company	(2,975)	38,318
NET EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	**224,984**	**225,299**
TOTAL LIABILITIES AND NET EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	**814,101**	**830,687**
NET EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**-**	**-**
Net Equity attributable to Non-controlling interests	-	-
TOTAL LIABILITIES AND NET EQUITY	**814,101**	**830,687**

CONSOLIDATED **FINANCIAL STATEMENTS**

CONSOLIDATED BALANCE SHEET

(€/000)

	NOTE	03/31/2020	12/31/2019
NON-CURRENT ASSETS:			
Intangible assets	1	330,718	340,879
Property, plant and equipment	2	25,561	23,767
Non-current financial assets	3	45,888	48,609
Deferred tax assets	4	90,206	90,740
Other non current assets	5	107	106
Total non-current assets		**492,480**	**504,101**
CURRENT ASSETS:			
Inventories	6	137	137
Current financial assets	3	1	-
Trade receivables	7	161,523	176,991
Tax assets	8	988	1,141
Other current assets	5	24,683	20,145
Cash and cash equivalents	9	134,279	128,162
Total current assets		**321,611**	**326,576**
Assets held for sale	**10**	**10**	**10**
TOTAL ASSETS		**814,101**	**830,687**
SHAREHOLDERS' EQUITY:			
Share capital		41,280	41,280
Valuation reserve		(44)	(13)
Other reserves		186,907	145,898
Treasury shares		(184)	(184)
Profit (loss) for the period attributable to the Shareholders of the Parent Company		(2,975)	38,318
Net Equity attributable to the Shareholders of the Parent Company	**11**	**224,984**	**225,299**
Net Equity attributable to Non-controlling interests		**-**	**-**
TOTAL NET EQUITY		**224,984**	**225,299**
NON-CURRENT LIABILITIES:			
Loans and other financing	12	285,210	285,581
Other non-current financial liabilities	13	40,477	43,922
Employee benefits	14	8,122	8,544
Provisions for risks and charges	15	23,349	25,669
Deferred tax liabilities	4	25,664	24,886
Total non-current liabilities		**382,822**	**388,602**
CURRENT LIABILITIES:			
Loans and other financing	12	82,142	79,683
Other current financial liabilities	13	47,531	47,477
Trade payables	16	39,252	46,969
Tax payables	8	14,224	17,461
Other current liabilities	17	23,146	25,196
Total current liabilities		**206,295**	**216,786**
Liabilities associated with assets held for sale		**-**	**-**
TOTAL LIABILITIES		**589,117**	**605,388**
TOTAL NET EQUITY AND LIABILITIES		**814,101**	**830,687**

CONSOLIDATED INCOME STATEMENT

(€/000)

	NOTE	03/31/2020	03/31/2019
Revenue from contracts with customers	20	74,629	49,535
Other revenue	21	9,777	5,206
Total revenue		**84,406**	**54,741**
Costs for services rendered	22	(10,266)	(3,236)
Personnel expenses	23	(42,489)	(26,004)
Administrative expenses	24	(16,704)	(10,913)
Other operating (expense)/income	25	(18)	(78)
Depreciation, amortisation and impairment	26	(15,011)	(1,623)
Provisions for risks and charges	27	844	(228)
Total costs		**(83,644)**	**(42,082)**
OPERATING INCOME		**762**	**12,659**
Financial (Expense)/Income	28	(3,051)	121
PROFIT (LOSS) BEFORE TAX		**(2,289)**	**12,780**
Income tax expense	29	(2,013)	(5,068)
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS		**(4,302)**	**7,712**
Net income (expense) of assets held for sale		-	-
PROFIT (LOSS) FOR THE PERIOD		**(4,302)**	**7,712**
o.w. Profit (loss) for the period attributable to the Shareholders of the Parent Company		(2,975)	7,712
o.w. Profit (loss) for the period attributable to Non-controlling interests		(1,327)	-

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€/000)

	03/31/2020	03/31/2019
PROFIT (LOSS) FOR THE PERIOD	**(4,302)**	**7,712**
Other comprehensive income after tax not recyclable to profit or loss		
Defined benefit plans	(1)	-
Other comprehensive income after tax recyclable to profit or loss		
Cash flow hedges	(31)	-
Financial assets (other than equity instruments) measured at fair value through comprehensive income	-	2
TOTAL OTHER COMPREHENSIVE INCOME AFTER TAX	**(32)**	**2**
COMPREHENSIVE INCOME	**(4,334)**	**7,714**
o.w. Comprehensive income attributable to Shareholders of the Parent Company	(3,006)	7,714
o.w. Comprehensive income attributable to Non-controlling interests	(1,328)	-

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

AT 03/31/2020

(€/000)

	Balance as at 12/31 previous	Changes in opening balance	Balance as at 1/1	Allocation of profit from previous year		Changes during the year					Net equity attributable to Shareholders of the Parent Company at the period	Net equity attributable to Non-controlling interest at the period	Total Net Equity at the period
				Reserves	Dividends and other payouts	Changes in reserves	Equity transactions: Issue of new shares	Equity transactions: Stock options	Equity transactions: Changes in equity investments	Comprehensive income at the period			
Share capital	41,280	-	41,280	-	-	-	-	-	-	-	41,280	-	41,280
Valuation reserves	(13)	-	(13)	-	-	-	-	-	-	(31)	(44)	-	(44)
Other reserves													
- Reserves from profit and/or withholding tax	18,606	-	18,606	38,507	-	-	-	-	-	-	57,113	-	57,113
- Other	127,292	-	127,292	(189)	-	2,202	-	489	-	-	129,794	-	129,794
Treasury shares	(184)	-	(184)	-	-	-	-	-	-	-	(184)	-	(184)
Net profit (loss) for the period	**38,318**	**-**	**38,318**	**(38,318)**	**-**	**-**	**-**	**-**	**-**	**(2,975)**	**(2,975)**	**-**	**(2,975)**
Net equity attributable to Shareholders of the Parent Company	**225,299**	**-**	**225,299**	**-**	**-**	**2,202**	**-**	**489**	**-**	**(3,006)**	**224,984**	**-**	**224,984**
Net equity attributable to Non-controlling interests	**-**	**-**	**-**	**-**	**-**	**3,550**	**-**	**-**	**(2,222)**	**(1,328)**	**-**	**-**	**-**
TOTAL NET EQUITY	**225,299**	**-**	**225,299**	**-**	**-**	**5,752**	**-**	**489**	**(2,222)**	**(4,334)**	**224,984**	**-**	**224,984**

AT 12/31/2019

(€/000)

	Balance as at 12/31 previous	Changes in opening balance	Balance as at 1/1	Allocation of profit from previous year		Changes during the year					Net equity attributable to Shareholders of the Parent Company at the period	Net equity attributable to Non-controlling interest at the period	Total Net Equity at the period
						Changes in reserves	Equity transactions			Comprehensive income at the period			
				Reserves	Dividends and other payouts		Issue of new shares	Stock options	Changes in equity investments				
Share capital	41,280	-	41,280	-	-	-	-	-	-	-	41,280	-	41,280
Valuation reserves	591	-	591	-	-	-	-	-	-	(604)	(13)	-	(13)
Other reserves													
- Reserves from profit and/or withholding tax	13,993	-	13,993	-	-	-	-	4,613	-	-	18,606	-	18,606
- Other	126,331	-	126,331	14,576	-	(14,863)	-	1,248	-	-	127,292	-	127,292
Treasury shares	(246)	-	(246)	-	-	-	-	62	-	-	(184)	-	(184)
Net profit (loss) for the period	**50,840**	**-**	**50,840**	**(14,576)**	**(36,264)**	**-**	**-**	**-**	**-**	**38,318**	**38,318**	**-**	**38,318**
Net equity attributable to Shareholders of the Parent Company	**232,789**	**-**	**232,789**	**-**	**(36,264)**	**(14,863)**	**-**	**5,923**	**-**	**37,714**	**225,299**	**-**	**225,299**
Net equity attributable to Non-controlling interests	**-**	**-**	**-**	**-**	**-**	**(17,848)**	**-**	**-**	**14,787**	**3,061**	**-**	**-**	**-**
TOTAL NET EQUITY	**232,789**	**-**	**232,789**	**-**	**(36,264)**	**(32,711)**	**-**	**5,923**	**14,787**	**40,775**	**225,299**	**-**	**225,299**

AT 03/31/2019

(€/000)

	Balance as at 12/31 previous	Changes in opening balance	Balance as at 1/1	Allocation of profit from previous year: Reserves	Allocation of profit from previous year: Dividends and other payouts	Changes during the year: Changes in reserves	Changes during the year: Equity transactions: Issue of new shares	Changes during the year: Equity transactions: Stock options	Changes during the year: Equity transactions: Changes in equity investments	Changes during the year: Comprehensive income at the period	Net equity attributable to Shareholders of the Parent Company at the period	Net equity attributable to Non-controlling interest at the period	Total Net Equity at the period
Share capital	41,280	-	41,280	-	-	-	-	-	-	-	41,280	-	41,280
Valuation reserves	591	-	591	-	-	-	-	-	-	2	593	-	593
Other reserves													
- Reserves from profit and/or withholding tax	13,993	-	13,993	-	-	-	-	-	-	-	13,993	-	13,993
- Other	126,331	-	126,331	14,003	-	(435)	-	1,308	-	-	141,207	-	141,207
Treasury shares	(246)	-	(246)	-	-	-	-	-	-	-	(246)	-	(246)
Net profit (loss) for the period	**50,840**	**-**	**50,840**	**(14,003)**	**(36,837)**	**-**	**-**	**-**	**-**	**7,712**	**7,712**	**-**	**7,712**
Net equity attributable to Shareholders of the Parent Company	**232,789**	**-**	**232,789**	**-**	**(36,837)**	**(435)**	**-**	**1,308**	**-**	**7,714**	**204,539**	**-**	**204,539**
Net equity attributable to Non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL NET EQUITY	**232,789**	**-**	**232,789**	**-**	**(36,837)**	**(435)**	**-**	**1,308**	**-**	**7,714**	**204,539**	**-**	**204,539**

CONSOLIDATED CASH FLOW STATEMENT INDIRECT METHOD

(€/000)

	03/31/2020	03/31/2019
OPERATING ACTIVITIES		
Profit (loss) for the period befor tax	**(2,289)**	**12,780**
Adjustments to reconcile the profit (loss) before tax with the net financial flows:	**17,178**	**3,206**
Depreciation, amortisation and impairment	15,011	1,623
Change in net provisions for risks and charges	(1,523)	228
Financial (Expense)/Income	3,201	47
Costs for share-based payments	489	1,308
Change in working capital	**7,732**	**(6,308)**
Change in trade receivables	15,449	(5,132)
Change in trade payables	(7,717)	(1,176)
Change in financial assets and liabilities	**2,288**	**(14,384)**
Financial assets measured at fair value through other comprehensive income	-	(2)
Other assets mandatorily measured at fair value	165	1,213
Financial assets measured at amortised cost	2,123	(14,877)
Financial liabilities measured at amortised cost	-	(718)
Other changes:	**(10,003)**	**(5,357)**
Other changes in other assets/other liabilities	(10,003)	(5,357)
CASH FLOWS GENERATED BY OPERATIONS	**14,906**	**(10,063)**
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(4,798)	(110)
Purchases of intangible assets	(1,849)	(695)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(6,647)**	**(805)**
FUNDING ACTIVITIES		
Payment of principal portion of lease liabilities	(2,142)	-
NET CASH FLOWS USED IN FUNDING ACTIVITIES	**(2,142)**	**-**
NET LIQUIDITY IN THE PERIOD	**6,117**	**(10,868)**
RECONCILIATION		
Cash and cash equivalents	128,162	73,631
NET LIQUIDITY IN THE PERIOD	6,117	(10,868)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**134,279**	**62,763**

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

General **information**

STATEMENT OF COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

The quarterly condensed consolidated financial statements at March 31, 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting. The quarterly condensed consolidated financial statements do not provide all of the disclosures required in preparing the annual consolidated financial statements. For this reason it is necessary to read the quarterly condensed consolidated financial statements together with the consolidated financial statements as at December 31, 2019.
The preparation criteria, the measurement and consolidation criteria and the accounting policies adopted in the preparation of these consolidated financial statements are compliant with the accounting policies adopted in the preparation of the consolidated financial statements as at December 31, 2019, with the exception of the adoption of new or amended standards of the *International Accounting Standards Board* and the interpretations of the International Financial Reporting Interpretations Committee as set out below. The adoption of these amendments and interpretations had no significant impact on the Group's financial position or performance.
The term "IFRS" also includes the revised international accounting standards (IFRS and IAS) and all the interpretations of the International Financial Reporting Interpretations Committee (IFRIC and SIC), adopted by the European Union.

The quarterly condensed consolidated financial statements are accompanied by the certification of the Financial Reporting Officer pursuant to Article 154-bis of Legislative Decree 58/1998 and have undergone a limited audit by the audit firm EY S.p.A. in accordance with Legislative Decree 39 of January 27, 2010.

BASIS OF PREPARATION

The quarterly condensed consolidated financial statements have been prepared using the euro as the currency of account, in accordance with Article 5, paragraph 2, of Legislative Decree 38/2005, and consist of:

- the **consolidated financial statements,** which include the consolidated balance sheet, the consolidated income statement, the statement of consolidated comprehensive income, the statement of changes in consolidated shareholders' equity and the consolidated statement of cash flows (prepared using the "indirect method");
- the **notes to the financial statements**

and are accompanied by the **interim report on group operations**.

The amounts stated are expressed in thousands of euros unless otherwise specified.

Following the conclusion of the debanking process in June 2019 reported in the significant events of the Interim Directors' Report, the Group abandoned the formats and the related

rules for completion provided for in Bank of Italy Circular no. 262/2005 and has therefore shifted its presentation to schedules in line with the framework established by IAS 1.
The comparative figures for performance and financial position at March 31, 2019 are set out below with a reconciliation between the current new approach to representing the financial statements with the corresponding tables of consolidated balance sheet and consolidated income statement presented in the Consolidated Quarterly Report as at March 31, 2019.

RECONCILIATION OF THE CURRENT CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED BALANCE SHEET UNDER CIRCULAR 262/05 – COMPARATIVE FIGURES AT MARCH 31, 2019

(€/000)

PROFIT AND LOSS		31/03/2019
Revenue from contracts with customers		**49,535**
40	*o.w. Fee and commission income*	48,547
230	*o.w. Other operating expense and income*	988
Other revenue		**5,206**
230	*o.w. Other operating expense and income*	5,206
Total revenues		**54,741**
Costs for services rendered		**(3,236)**
50	*o.w. Fee and commission expense*	(3,236)
Personnel expenses		**(26,004)**
190a	*o.w. Administrative costs: a) Staff expenses*	(26,004)
Administrative expenses		**(10,913)**
190b	*o.w. Administrative costs: b) Other administrative expense*	(10,913)
Other operating (expense)/income		**(78)**
230	*o.w. Other operating expense and income*	(78)
Depreciation, amortisation and impairment		**(1,623)**
210	*o.w. Impairment/write-backs on property, plant and equipment*	(962)
220	*o.w. Impairment/write-backs on intangible assets*	(598)
230	*o.w. Other operating expense and income*	(86)
130	*o.w. Net losses/recoveries on impairment for credit risk*	23
Provisions for risks and charges		**(228)**
200	*o.w. Net provisions for risks and charges*	(228)
Total costs		**(42,082)**
OPERATING INCOME		**12,659**
Financial (Expense)/Income		**121**
10	*o.w. Interest income and similar revenues*	183
20	*o.w. Interest expense and similar charges*	(62)
PROFIT (LOSS) BEFORE TAX		**12,780**
Income tax expense		**(5,068)**
300	*o.w. Income tax expense from continuing operations*	(5,068)
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS		**7,712**
PROFIT (LOSS) FOR THE PERIOD		**7,712**
	o.w. Profit (loss) for the period attributable to the Shareholders of the Parent Company	7,712

The quarterly condensed consolidated financial statements have been prepared on a going concern basis in accordance with the provisions of IAS 1, and in compliance with the principles of accrual accounting, the relevance and materiality of accounting information and the prevalence of economic substance over legal form and with a view to fostering consistency with future presentations.

The accounting policies adopted in these quarterly condensed consolidated financial statements at March 31, 2020 for the recognition, measurement and derecognition of assets and liabilities and the recognition of costs and revenues have not been updated from those adopted in the preparation of the consolidated financial statements for the year ended December 31, 2019.

SCOPE AND METHOD OF CONSOLIDATION

The preparation of the quarterly condensed consolidated financial statements at March 31, 2020 drew on the accounts at March 31, 2020 of the companies included in the scope of consolidation reported in the table presented at the end of this section.

The accounts as at March 31, 2020 of the companies included in the scope of consolidation were reclassified and adjusted appropriately to take consolidation requirements into account and, where necessary, align them with the Group accounting policies.

All of the companies in the scope of consolidation use the euro as their currency of account and, accordingly, no translations of foreign currency amounts have been necessary.

The following section discussed the consolidation principles adopted by the Group in preparing the quarterly condensed consolidated financial statements at March 31, 2020.

Subsidiaries

Entities in which doValue holds direct or indirect control are considered subsidiaries. Control over an entity is identified through the ability of the investor to exercise power in order to influence the variable returns to which the Group is exposed through its relationship with that entity.

In order to ascertain the existence of control, the following factors are considered:

- the purpose and design of the investee in order to identify the entity's objectives, the activities that determine its returns and how these activities are governed;
- power, in order to determine whether the investor has contractual rights that give it the ability to direct the relevant activities; to this end, only substantive rights that give the practical ability to govern are considered;
- the exposure in respect of the investee in order to assess whether the investor has relations with the investee whose returns are subject to changes that depend on the investee's performance;
- the ability to exercise its power over the investee to affect its returns;
- existence of potential "principal-agent" relationships

It is generally presumed that holding a majority of voting rights gives the investor control over the investee. When the Group holds less than a majority of voting rights (or similar rights), it considers all relevant facts and circumstances to determine whether it controls the investee, including:

- contractual agreements with other holders of voting rights;
- rights deriving from contractual agreements;
- the Group's voting rights and potential voting rights.

The carrying amount of equity investments in companies consolidated on a line-by-line basis held by the Parent Company is eliminated – with the incorporation of the assets and liabilities of the investees – against the corresponding portion of shareholders' equity attributable to the Group.
Assets and liabilities, off-balance-sheet transactions, income and expense, as well as profits and losses occurring between companies within the scope of consolidation are fully eliminated, in accordance with the consolidation methods adopted.
The costs and revenues of a subsidiary are included in the consolidated figures as from the date control was acquired. The costs and revenues of a transferred subsidiary are included in the consolidated income statement until the date of the disposal, i.e. until the moment in

which control over the investee is lost. The difference between the amount received for the subsidiary and the carrying amount of its net assets as of the same date is recognised in the income statement under “Profit (loss) of equity investments” for companies subject to line-by-line consolidation.
For companies included within the scope of consolidation for the first time, the fair value of the cost incurred to obtain control over the investee, including transactions costs, is measured as of the acquisition date.
If the disposal does not involve a loss of control, the difference between the amount received in the disposal of a portion of a subsidiary and the associated carrying amount of the net assets is recognised in shareholders’ equity.

Business combinations

The governing accounting standard for business combinations is IFRS 3. The transfer of control of a business (or an integrated set of activities and assets conducted and managed together) constitutes a business combination. To this end, control is considered transferred when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 3 requires that an acquirer be identified for all business combinations. The latter is the entity that obtains control over another entity or group of assets. If it is not possible to identify a controlling entity on the basis of the definition of control described above, such as for example in the case of exchanges of equity interests, the acquirer shall be identified using circumstances such as: the entity whose fair value is significantly greater, the entity that transfers cash, or the entity that issues new equity interests. The acquisition, and therefore the initial consolidation of the acquiree, must be recognised on the date on which the acquirer effectively obtains control over the company or assets acquired. When the transaction takes place as a single transfer, the date of transfer normally coincides with the acquisition date. However, it is always necessary to verify the possible presence of agreements between the parties that may lead to the transfer of control before the date of the exchange. The consideration transferred as part of a business combination must be determined as the sum of the fair value, at the date of the exchange, of the assets acquired, the liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control. In transactions involving payment in cash (or when payment is made using financial instruments comparable to cash) the price is the agreed consideration, possibly discounted if payment is to be made in instalments over a period longer than short term. If the payment is made using an instrument other than cash, therefore through the issue of equity instruments, the price is equal to the fair value of the means of payment, net of the costs directly attributable to the capital issue. Adjustments subject to future events are included in the consideration of the business combination at the acquisition date, if they are provided for in the agreements and only if they are probable, can be reliably determined and realised within the twelve months following the date of acquisition of control, while indemnities for a reduction of the value of the assets used are not considered as they are already considered either in the fair value of the equity instruments or as a reduction of the premium or increase in the discount on the initial issue in the case of the issue of debt instruments. Acquisition-related costs are the costs the acquirer incurs to effect a business combination. By way of example, these may include professional fees paid to auditors, experts, legal consultants, costs for appraisals and auditing of accounts, preparation of information documents required by regulations, as well as finder’s fees paid to identify potential targets to be acquired if it is contractually established that the payment is made only in the event of a positive outcome of the combination, as well as the costs of registering and issuing debt and equity securities. The acquirer shall recognise acquisition-related costs in the periods in which these costs are incurred and the services are received, with the exception of the costs of issuing debt or equity securities, which shall be recognised in accordance with IAS 32 and IAS 39. Business combinations are accounted for using the “acquisition method”, under which the identifiable assets acquired (including any intangible assets not previously recognised by the acquiree) and the identifiable liabilities assumed (including contingent liabilities) are recognised at their respective fair values on the acquisition date. In addition, for each business combination, any non-controlling interests in the acquiree can be recognised at fair value (with a consequent increase in the consideration transferred) or in proportion to the non-controlling stake in the identifiable net assets of the acquiree. If control is acquired in stages, the acquirer shall measure its previously held equity interest in the acquiree at its acquisition date fair value and recognise the resulting gain or loss in profit or loss. The excess of the consideration transferred (represented by the fair value of the assets transferred, the liabilities incurred or the equity instruments issued by the acquirer), the amount of any non-controlling interests (determined as described above) and the fair value of interests previously held by the acquirer, over the fair value of the assets and liabilities acquired shall be recognised as goodwill. Conversely, if the latter exceeds the sum of the consideration, non-controlling interests and fair value of previously held interests, the difference shall be recognised through profit or loss. Business combinations may be accounted for provisionally by the end of the financial year in which the business combination is carried out and must be completed within twelve months of the acquisition date. Pursuant to IFRS 10, the acquisition of additional interests in entities that are already controlled are considered equity transactions, i.e. transactions with owners in their capacity as owners. Therefore differences between the acquisition costs and the carrying amount of non-controlling interests acquired are booked to Group shareholders' equity; similarly, sales of non-controlling interests without loss of control do not generate gains/losses recognised in profit or loss but rather are recognised as changes in group equity. Business combinations do not include transactions to obtain control over one or more entities that do not constitute a business or to obtain transitory control or, finally, if the business combination is carried out for the purpose of reorganisation, therefore between two or more companies or activities that already belong to the doValue Group and that does not involve a change in the control structure regardless of the percentage of third-party rights before and after the transaction (so-called combinations of entities under common control). These transactions are considered as having no economic substance. Accordingly, in the absence of an IAS/IFRS that specifically applies to the transaction and in compliance with the assumptions of IAS 8, which requires that in the absence of a specific standard – an entity shall use its judgment in applying an accounting policy that produces relevant, reliable and prudent information that reflects the economic substance of the transaction, such transactions are accounted for by retaining the values of the acquiree in the financial statements of the acquirer.

Mergers are a form of business combination, representing the most complete form of such combinations, as they involve the legal and financial merging of the entities participating in the transaction. Whether they involve the formation of a new legal entity (merger of equals) or the absorption of one entity by another existing entity, mergers are treated in accordance with the criteria discussed above. Specifically:

- if the transaction involves the transfer of control of an entity, it is treated as a business combination pursuant to IFRS 3;
- if the transaction does not involve the transfer of control, it is accounted for by retaining the accounting values of the merged company.

Associates

An associate is an entity over which an investor has significant influence but which is not controlled exclusively or jointly controlled. Significant influence is presumed when the investor:

- holds, directly or indirectly, at least 20% of the share capital of another entity; or
- is able, including through shareholders' agreements, to exercise significant influence through:
    - representation on the governing body of the company;
    - participation in policy-making processes, including participation in decisions about dividends or other distributions;
    - material transactions between the entity and its investee;
    - interchange of managerial personnel;
    - provision of essential technical information.

Note that only companies that are governed through voting rights can be classified as subject to significant influence.
Investments in associates are measured using the equity method. In accordance with IAS 36, the carrying amount of associated companies is tested as a single asset, comparing this with the recoverable amount (defined as the higher of its value in use and its fair value less costs of disposal).

Equity method

Equity investments in companies measured using the equity method include any goodwill (less any impairment loss) paid to purchase them. The investor's share of the profit or loss of the investee after the acquisition date is recognised in the income statement under "Profit (loss) of equity investments". Any dividends distributed reduce the carrying amount of the equity investment.
If the investor's interest in a subsidiary's losses is equal to or greater than its carrying amount, no further losses are recognised, unless the investor has assumed specific obligations to or made payments on behalf of the company.
Gains and losses on transactions with associates or joint arrangements are eliminated in proportion to the percentage interest in the company.
Any changes in the valuation reserves of associates or joint arrangements, which are recorded against the value changes in the associated item, are reported separately in the statement of comprehensive income.

At March 31, 2020, there were no companies measured using the equity method.

Investments in subsidiaries

The following table reports the companies included in the scope of consolidation:

	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.	Italfondiario 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%
10.	doValue Cyprus Limited	Nicosia	Cyprus	1	doValue S.p.A. + Altamira AM S.A.	94%+6%	94%+6%

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 1, of Legislative Decree 136/2015.

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

Changes in the scope of consolidation

During the first quarter of 2020 there were no changes compared with the scope at December 31, 2019.

Significant valuations and assumptions for determining the scope of consolidation

The doValue Group determines the existence of control and, as a consequence, the scope of consolidation, by ascertaining compliance with the requirements envisaged by IFRS 10 with regard to entities in which it holds exposures:

- the existence of power over the entities' relevant activities;
- exposure to variable returns;
- the ability to affect the returns.

The factors considered for the purpose of this assessment depend on the entity's method of governance, its purpose and its financial structure.
This analysis led to the inclusion of the subsidiaries listed in the previous section within the scope of consolidation at March 31, 2020.

SUBSEQUENT EVENTS

In accordance with the provisions of IAS 10, no significant events occurred that would require an adjustment to the results presented in the financial statements after the end of the quarter.

Reference should be made to the specific paragraph in the Group's Interim Report on Operations for a description of the most significant events occurring after the end of the period.

OTHER MATTERS

Risks and uncertainties associated with the use of estimates

The application of accounting policies sometimes involves the use of estimates and assumptions that affect the amounts recorded in the financial statements and the disclosures regarding contingent assets and liabilities. For the purposes of the assumptions underlying estimates, we consider all information available at the date of preparation of the financial statements and any assumptions considered reasonable in the light of past experience and current conditions in the financial markets.
More specifically, estimation processes were adopted to support the carrying amount of certain items recognised in the condensed consolidated financial statements at March 31, 2020, as required by accounting standards. These processes are essentially based on estimates of future recoverability of the values recognised and were conducted on a going concern basis. The findings of these processes supported the carrying amounts recognised at March 31, 2020. Estimates and assumptions are reviewed regularly.
In view of the presence of uncertainty in the macroeconomic and market environment, the assumptions made, even if reasonable, might not hold in future scenarios in which the Group may operate. Accordingly, future results may differ from the estimates made for the purpose of preparing the financial statements, with the consequent probable need to make adjustments that currently cannot be foreseen or estimated to the carrying amount of the assets and liabilities recognised in the financial statements. Given the current uncertainty in the macroeconomic scenario, in particular following the occurrence of the Covid-19 pandemic, these estimates and valuations are therefore difficult and include inevitable elements of uncertainty, even in the presence of stable macroeconomic conditions.
The following sections discuss the key accounting policies for the purposes of providing a true and fair representation of the Group's financial position and performance, both with regard to the materiality of the values in the financial statements and the considerable judgement required in performing the assessments.

Estimation of accruing servicing revenues and the effects of the application of servicing contracts

Sales revenues associated with servicing contracts for the recovery of receivables managed on an agency basis for third parties are recognised on an accruals basis based on the activities carried out by the Group, using IT procedures and complex accounting processes that take account of the different contractual terms of each agency agreement. Servicing agreements contain numerous clauses specifying the rights and duties of doValue in relations with the participating banks, which can generate income on the one hand and contingent liabilities on the other connected with the possibility of non-performance of contractual obligations.
The amount of the variable consideration estimated is included in the transaction price in whole or in part only to the extent that it is highly probable that when the uncertainty associated with the variable consideration is subsequently resolved, a significant downward adjustment of the amount will not occur of the cumulative revenues recorded.
At end of the financial year, revenues accrued in the period that have not yet been manifestly accepted by the customer are recognised. Depending on the terms of contract and the established practice, that acceptance may take the form of the issuance of an invoice or an explicit notice.
In addition, any certain or contingent liabilities must be prudentially determined in order to assess compliance with the obligations set out in the servicing agreement, taking due account of natural differences in interpretation of contractual clauses in the context of actual recovery operations.

Determination of the fair value of financial assets

In the presence of financial instruments not listed on active markets or illiquid and complex instruments, it is necessary to adopt appropriate valuation processes that require the use of a certain degree of judgement concerning the choice of valuation models and the related input parameters, which may sometimes not be observable on the market.
A degree of subjectivity is present in the valuation on whether it is possible to observe or not certain parameters and the consequent classification in correspondence with the levels of fair value hierarchy.
With particular reference to valuation methods and the unobservable inputs that may be used in fair value measurements, please see the section Information on fair value.

Estimation of the recoverability of deferred tax assets

The Group has significant deferred tax assets mainly arising from temporary differences between the date on which certain business costs are recognised in the income statement and the date on which the same costs can be deducted. Deferred tax assets are written down to the extent that they are deemed unrecoverable given the outlook for performance and the resulting expected taxable income, taking due account of tax legislation, which allows those assets to be converted into tax credits under certain conditions, regardless of the Group's ability to generate future profits. In the section on Tax assets and tax liabilities under assets in these Notes to the Financial Statements, information is provided on the nature and checks carried out with regard to the recognition of deferred tax assets.

Estimation of provisions for risks and charges

The complexity of the situations that underline the existing disputes, along with the difficulties in the interpretation of applicable law, makes it difficult to estimate the liabilities that may result when pending lawsuits are settled. The valuation difficulties concern what may be due and how much time will elapse before liabilities materialise and are particularly evident if the procedure launched is in the initial phase and/or its preliminary investigation is in progress.
Information about the Group's main risk positions related to legal disputes (revocatory action and pending lawsuits) is provided in the Liabilities section of these Notes to the Financial Statements that deals with provisions for risks and charges.

Estimating impairment losses on intangible assets

On an annual basis, upon preparing the financial statements, intangible assets are tested for impairment. This impairment test is usually conducted by determining the value in use or the fair value of the assets and verifying that the carrying amount of the intangible asset is less than the greater of the respective value in use and the fair value less costs to sell.
Impairment testing for cash-generating units, to which almost all intangible assets with an indefinite life have been attributed, is conducted with reference to value in use obtained through the application of the dividend discount model (DDM), under which the value of a company is a function of the flow of dividends that it will be able to generate looking forward. In this case, the method used is the excess capital variant of the DDM, which assumes that the economic value of a company is equal to the sum of the current value of future cash flows (expected dividends) generated over the selected planning time horizon, and distributable to shareholders while maintaining an adequate level of capitalisation to ensure the expected future development of the business, and the perpetual capitalisation of the normalised dividend of the last year of the forecast, based on a pay-out ratio that is a function of profitability. A similar procedure is used to estimate the recoverability of the values recognised for active long-term servicing contracts, which assess the business plans of the portfolios under management in order to check their consequent capacity to generate adequate cash flows.
However, note that the parameters and information used to check the recoverability of

intangible assets, including goodwill (in particular the cash flow forecast for the various CGUs, as well as the discount rates used) are significantly influenced by macroeconomic conditions and market developments as well as the behaviour of counterparties, which could change unpredictably.
If the recoverable value of the assets undergoing impairment testing is determined on the basis of the associated fair value, it should also be noted that the significant and persistent volatility shown by the markets and the intrinsic difficulties in forecasting contractual cash flows mean that we cannot rule out the possibility that the valuations based on parameters drawn from the same markets and on contractual cash flow forecasts may subsequently prove not to be fully representative of the fair value of the assets..
With regard to the intangible assets recognised following the acquisition of Altamira Asset Management S.A. (Altamira) and its subsidiaries in June 2019, those assets were measured on the basis of the provisional allocation of the purchase price described in the section "Business combinations" of the Reports and Consolidated Financial Statements at December 31, 2019", to which the reader should refer. The gathering and analysis of the information needed for measurement purposes is still not complete.
In addition, on the basis of the Group's new 2020-2022 Business Plan approved in November 2019, no evidence has been found that would suggest possible impairment of the company compared with the value determined in the acquisition.
As of the date of these condensed consolidated financial statements as at March 31, 2020, in consideration of the persistence of the market turbulence linked to the COVID-19 pandemic, which prevents the estimation of possible developments in its economic impact with any accuracy, it would be premature to conduct a review of the overall business plan.
However, in order to verify the validity of the values recognised under assets, taking appropriate account of the difficulty inherent in the formulation of even short or medium-term forecasts in this climate of uncertainty, the Company has conducted a sensitivity analysis in accordance with the recommendations issued by Consob on April 9, 2020 (Warning notice no. 6/20 of 9-4 -2020 - Subject: COVID 19 – Warning notice on financial reporting).
As part of this sensitivity exercise, the 2020-2022 Business Plan was subjected to two stress scenarios with different degrees of reduction in the expected margins for 2020 and 2021.
In particular, in a first baseline scenario, the exercise assumed significant contractions in revenue flows from the portfolios under management in 2020, also assuming a gradual recovery in the third quarter of the year and a return to normal conditions from the fourth quarter of the year, together with cost containment measures. In an adverse scenario, an even slower and partial recovery of operations was assumed for the second half of the year.
Based on these profit forecasts, even in the more pessimistic scenario, the comparison between the amounts recognised in the financial statements and the present value of the overall contribution of the entities involved in the aforementioned acquisition did not generate evidence of any potential write-downs of goodwill.
As part of the analysis, the current value in use attributable to the individual active servicing contracts were also consistently estimated for both stress scenarios, considering the respective expected cash flows over the entire useful life.
This calculation found evidence of that the difference between the value in use and the related carrying amount net of amortisation for the period was always positive.
Finally, additional stress assumptions applied to the adverse scenario found progressively negative differences only for some contracts, while a large positive difference was confirmed for each hypothesis, supporting the value of goodwill.
Based on these results, the validity of the values for the intangible assets recognised in the condensed consolidated financial statements at March 31, 2020 of the doValue Group is easily confirmed.
By the end of the next quarter, after the 12-month period allowed by IFRS 3 for completing the allocation of the purchase price in the acquisition of Altamira, the cash generating units will be identified, with the attribution to them of the intangibles and residual goodwill, with the definitive allocated values being tested for impairment.

Business combinations

The recognition of business combinations involves allocating the difference between the acquisition cost and the net book value to the assets and liabilities of the acquiree. For most of the assets and liabilities, the difference is allocated by recognising the assets and liabilities at their fair value. Any unallocated remainder is recognised as goodwill if positive; if negative, it is recognised in profit or loss as revenue. In the process of allocating the cost of the business combination, the doValue Group uses all available information. However, by definition this process involves the performance of complex and subjective estimations

With reference to the business combination transaction represented by the acquisition of Altamira and its subsidiaries in June 2019, the fair value of the assets and liabilities and residual goodwill were measured on the basis of the provisional Purchase Price Allocation

Hedging derivatives

Since interest rate swaps are carried out for hedging purposes, they are measured at fair value, with an offsetting item recorded in the cash flow hedge shareholders' equity reserves. The above-mentioned fair value, classified under the other current and non-current assets or liabilities, is calculated with adequate measurement techniques that use updated financial variables and used by market participants. These derivative contracts are classified as hedging instruments since the relationship between the derivatives and the hedged position is formally recorded and the hedging efficiency is high. More specifically, there is an economic relationship between the underlying hedges and the hedging instruments since the IRS terms correspond to the variable rate loan terms (i.e. notional amount, maturity dates, payment dates). This efficiency, along with meeting the requirements set out under IAS 39 for hedge accounting purposes, has to be checked on a periodic basis. The fair value changes of the derivatives that do not meet the terms to be classified as hedging, are recognised in the income statement.

New accounting standards

The Group has adopted for the first time a number of other accounting standards and amendments in preparing these condensed consolidated financial statements at March 31, 2020 that took effect for financial years beginning as from January 1, 2020. They are listed below, noting that these changes did not have substantial effects on the financial position or performance:

- *Amendment to IFRS 3 Business Combinations (in force as from January 1, 2020);*
- *Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (in force as from January 1, 2020);*
- *Amendments to IAS 1 and IAS 8: Definition of Material (in force as from January 1, 2020);*
- *Amendments to References to the Conceptual Framework in IFRS Standards (in force as from January 1, 2020).*

At March 31, 2020, the following new standards, amendments and interpretations were issued by the IASB, but had not yet been endorsed by the European Union:

- IFRS 17 *Insurance contracts* (in force as from January 1, 2021; early application is permitted);
- *Amendments to IAS 1: Classification of Liabilities as Current or Non-current.*

Main items of the **financial statements**

For more information on the classification and measurement criteria adopted for the main items of the financial statements, please see the corresponding section of the notes to the consolidated financial statements at December 31, 2019.

Fair value **disclosures**

For qualitative information on fair value, please see the discussion in the corresponding section of the notes to the consolidated financial statements at December 31, 2019.

Fair value hierarchy

Financial instruments are assigned to a certain fair value level based on whether the inputs used for valuation are observable.

When fair value is measured directly using an observable quoted price in an active market, the instrument will be categorised within Level 1. When the fair value must be measured using a comparable approach or a pricing model, the instrument will be categorised in either Level 2 or Level 3, depending on whether all significant inputs used in the valuation are observable.

In the choice between the different valuation techniques, the one that maximises the use of the observable inputs is used.

All transfers between the levels of the fair value hierarchy are made with reference to the end of the reporting period.

The main factors that would prompt a transfer between fair value levels (both between Level 1 and Level 2 and to Level 3) include changes in market conditions and improvements in valuation models and the relative weights of unobservable inputs used in fair value measurement.

Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value level

The following table reports the breakdown of assets and liabilities measured at fair value by fair value hierarchy input level.

Level 1 includes government securities (BOTs), which are reported under “Financial assets measured at fair value through other comprehensive income”.
Level 3 for the category “Financial assets measured at fair value through profit or loss” mainly includes (i) the residual value of the notes issued by the Romeo and Mercuzio Securitisation SPVs, equal to 5% of the total value of the notes, and (ii) under units of collective investment undertakings, the amount paid in 2017 and June 2018 for the subscription of 30 units of the restricted closed-end alternative securities investment fund denominated Italian Recovery Fund (formerly Atlante II).

Level 3 financial liabilities include (i) the earn-out represented by the fair value of the liability in respect of part of the purchase price for Altamira, which will be defined within two years of the date of the transaction agreement, i.e. at the end of December 2020; and (ii) the fair value of the liability in respect of the option to purchase residual non-controlling interests expiring in future years.
The fair value of these financial liabilities was determined on the basis of the contracts for the acquisition of equity interests and the economic-financial parameters that can be drawn from the long-term plans of the acquired company. Since these parameters are not observable on the market (either directly or indirectly), these liabilities are classified under Level 3.

(€/000)

	03/31/2020			12/31/2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss	**-**	**-**	**33,508**	**-**	**-**	**33,588**
Units in collective investment undertakings	-	-	28,923	-	-	28,923
Debt securities	-	-	4,539	-	-	4,619
Equity securities	-	-	46	-	-	46
TOTAL	**-**	**-**	**33,508**	**-**	**-**	**33,588**
Other financial liabilities	**-**	**404**	**69,864**	**-**	**368**	**73,005**
Earn-out	-	-	40,058	-	-	39,811
Hedging derivatives	-	404	-	-	368	-
Put option on non-controlling interests	-	-	29,806	-	-	33,194
TOTAL	**-**	**404**	**69,864**	**-**	**368**	**73,005**

CONSOLIDATED **BALANCE SHEET**

Assets

NOTE 1 – INTANGIBLE ASSETS

Changes in the period are reported in the following table.

(€/000)

	Software	Brands	Assets under development and payments on account	Goodwill	Other intangible assets	Totale 03/31/2020	Totale 12/31/2019
Gross opening balances	113,676	44,125	2,291	137,969	201,552	499,613	18,107
Initial reduction in value	(95,133)	(5,766)	-	-	(57,835)	(158,734)	(11,260)
Net opening balances	18,543	38,359	2,291	137,969	143,717	340,879	6,847
Initial adjustments	(1)	3	-	-	(1)	1	-
Increases	2,309	-	(488)	7	-	1,828	366,682
Purchases	365	-	1,481	-	-	1,846	6,928
Business combination	-	-	-	7	-	7	359,762
Others changes	1,944	-	(1,969)	-	-	(25)	(8)
Decreases	(3,028)	(867)	-	-	(8,095)	(11,990)	(32,650)
Amortisation	(3,028)	(867)	-	-	(8,095)	(11,990)	(32,650)
GROSS CLOSING BALANCES	115,984	44,128	1,803	137,976	201,551	501,442	384,789
Final reduction in value	(98,161)	(6,633)	-	-	(65,930)	(170,724)	(43,910)
NET CLOSING BALANCES	17,823	37,495	1,803	137,976	135,621	330,718	340,879

The increases in the quarter refer to new software developments, mainly related to the application for managing non-performing positions, which are classified within assets under development in the amount of €1.5 million. The technological developments entering service in the quarter were classified under software (€1.9 million) and again regard implementations designed to improve applications dedicated to debt recovery and the business in general.

The decreases in the quarter are entirely attributable to the amortisation charge for the period. "Other intangible assets" include the value of long-term servicing contracts deriving from the provisional evaluation of the Altamira acquisition, which are systematically amortised based on the direct margin curve for each contract over the course of its entire useful life, consistent with the best estimate of the cash flows from each individual contract. The amortisation charge for the period of each contract was calculated to an extent corresponding to the direct margin posted in the period.

There are no changes in goodwill. Almost all of the amount recognised derives from the Altamira acquisition completed in June 2019, for which the allocation of the purchase price is still provisional and will become definitive in time for the upcoming half-year financial report, i.e. one year after the inclusion of the company in the scope of consolidation.

In view of the significance of the amounts recognised under intangible assets following the acquisition of Altamira, in order to verify the validity of the values recognised under assets, the Company has conducted a sensitivity analysis in accordance with the recommendations issued by Consob on April 9, 2020 (Warning notice no. 6/20 of 9-4 -2020 - Subject: COVID 19 – Warning notice on financial reporting).

Taking account of the fact that as of the date of these condensed consolidated financial statements as at March 31, 2020, the persistence of the market turbulence linked to the COVID-19 pandemic prevents the estimation of possible developments in its economic impact with any accuracy, making it premature to conduct a review of the overall business plan. Accordingly, to conduct that analysis, the 2020-2022 Business Plan was subjected to two stress scenarios with different degrees of reduction in the expected margins for 2020 and 2021.
Based on these profit forecasts, even in the more pessimistic scenario, the comparison between the amounts recognised in the financial statements and the present value of the overall contribution of the entities involved in the aforementioned acquisition did not generate evidence of any potential write-downs of goodwill.
As part of the analysis, the current value in use attributable to the individual active servicing contracts were also consistently estimated for both stress scenarios, considering the respective expected cash flows over the entire useful life.
This calculation found evidence of that the difference between the value in use and the related carrying amount net of amortisation for the period was always positive.
Finally, additional stress assumptions applied to the adverse scenario found progressively negative differences only for some contracts, while a large positive difference was confirmed for each hypothesis, supporting the value of goodwill.
Based on these results, the validity of the values for the intangible assets recognised in the condensed consolidated financial statements at March 31, 2020 of the doValue Group is easily confirmed.
By the end of the next quarter, after the 12-month period allowed by IFRS 3 for completing the allocation of the purchase price in the acquisition of Altamira, the cash generating units will be identified, with the attribution to them of the intangibles and residual goodwill, with the definitive allocated values being tested for impairment.

NOTE 2 – PROPERTY, PLANT AND EQUIPMENT

(€/000)

	Buildings	Furniture	Electronic Systems	Other	Total 03/31/2020	Total 12/31/2019
Gross opening balances	**25,004**	**2,289**	**12,127**	**5,055**	**44,475**	**11,358**
Initial reduction in value	(7,173)	(1,649)	(9,642)	(2,244)	(20,708)	(7,632)
Net opening balances	**17,831**	**640**	**2,485**	**2,811**	**23,767**	**3,726**
Initial adjustments	*1*	*(1)*	*1*	*(1)*	-	11,749
Increases	**65**	**2**	**4,541**	**190**	**4,798**	**15,599**
Purchases	65	2	4,541	190	4,798	5,698
Business combination	-	-	-	-	-	7,636
Others changes	-	-	-	-	-	2,265
Decreases	**(2,106)**	**(39)**	**(657)**	**(202)**	**(3,004)**	**(7,307)**
Disposals	-	-	-	-	-	(12)
Amortisation	(2,106)	(39)	(657)	(202)	(3,004)	(7,329)
Others changes	-	-	-	-	-	34
GROSS CLOSING BALANCES	**25,070**	**2,290**	**16,669**	**5,244**	**49,273**	**38,694**
Final reduction in value	(9,279)	(1,688)	(10,299)	(2,446)	(23,712)	(14,927)
NET CLOSING BALANCES	**15,791**	**602**	**6,370**	**2,798**	**25,561**	**23,767**

During the period, the Group recognised increases in assets of €4.8 million, mainly in respect of new right-of-use assets connected with Group hardware infrastructure.

Please see note 19 for more details on changes in right-of-use assets.

NOTE 3 – FINANCIAL ASSETS

The following table reports financial assets other than cash and cash equivalents held by the Group.

(€/000)

	03/31/2020	12/31/2019
Non-current financial assets	**45,888**	**48,609**
Financial assets measured at fair value through profit or loss	**33,508**	**33,588**
Units in collective investment undertakings	28,923	28,923
Debt securities	4,539	4,619
Equity securities	46	46
Financial assets measured at amortised cost	**12,380**	**15,021**
Loans to customers	12,294	14,935
Loans to banks	86	86
Current financial assets	**1**	**-**
Financial assets measured at amortised cost	**1**	**-**
Loans to customers	1	-
TOTAL	**45,889**	**48,609**

Non-current financial assets include the units in collective investment undertakings that regard the amount paid in previous years for the subscription of 30 units of the restricted closed-end alternative securities investment fund denominated Italian Recovery Fund (formerly Atlante II). Following the two payments, at March 31, 2020, a minimal amount of €1.2 million remained recognised under commitments.

Debt securities are represented by the residual value of the ABSs from the Romeo SPV and Mercuzio Securitisation securitisations. The amount subscribed by doValue corresponds to 5% of the total notes issued by the two vehicles. The decrease in the amount compared with December 31, 2019 is mainly due to the reduction in the nominal outstanding amount recorded in the period due to the collection of the notes.

Equity instruments consist of non-controlling interests for which the Group has not exercised the option available under IFRS 9 to measure these instruments at fair value through other comprehensive income not recyclable to profit or loss.

The decrease during the period in loans to customers mainly (about €2 million) collections on a non-performing loan portfolio and the assignment of a UTP position (€ 520 thousand), both acquired in 2019 as part of opportunistic and non-recurring transactions.

NOTE 4 – DEFERRED TAX ASSETS AND LIABILITIES

The items report deferred tax assets by deductible temporary difference.

Deferred tax assets include amounts in respect of loan write-downs and deferred tax assets determined specifically on the basis of the stocks of the components to which they refer le (litigation, provisions for employees).

In this regard, the Parent Company exercised the option to retain the possibility of converting deferred tax assets into tax credits pursuant to Art. 11 of Legislative Decree 59 of May 3, 2016, ratified with Law 119 of June 30, 2016. This measure introduced the optional regime in order to eliminate issues that emerged at the Community level regarding the incompatibility of the DTA transformation legislation with the rules governing state aid, ensuring that the convertibility of qualifying DTAs into tax credits is only allowed following payment of a specific fee based on the amount of those DTAs.

With regard to the deferred tax assets referred to in Law 214/2011, as a result of the express provision of Art. 56 of Decree Law 225 of 12/29/2010, the negative components corresponding to the deferred tax assets transformed into tax credits are not deductible, first offsetting on a priority basis decreases at the nearest maturity in an amount corresponding to a tax equal to the transformed DTAs.

The 2019 Budget Act (Law 145/2018) modified the temporary mechanism provided for in Article 16, paragraphs 3-4 and 8-9 of Decree Law 83/2015 concerning the deductibility for both IRES and IRAP purposes of the loan losses of banks, financial companies and insurance undertakings. The law essentially deferred to the current tax period at December 31, 2026, for both IRES and IRAP purposes, the deductibility of 10% of write-downs and losses on loans to customers recognised for that purpose that were originally intended to be deducted for the current tax period at December 31, 2018.

Article 1, paragraphs 712-715 of the 2020 Budget Act (Law 160/2019) then provided for the deferral of the deduction of the negative IRES (corporate income tax) components. More specifically, the deductibility, for IRES and IRAP purposes, of the stock of write-downs and loan losses credit and financial institutions, of 12%, originally established for the tax period under way at December 31 2019 was postponed to tax periods under way at December 31 2022 and the three subsequent tax periods. The deferral is made on a straight-line basis.

As a result of this legislation, the amount of the deferred tax assets recognised in the financial statements will begin to change starting from 2023 instead of 2022, as provided for by the previous extension enacted with the 2019 Budget Act.

With regard to the provisions of IAS 12, deferred tax assets are subject to probability testing, taking account of forecast profits in future years and verifying that future taxable income will be available against which the deferred tax assets can be used.

In particular, for the figures at December 31, 2019, the test performed, which took account of the 2020-2022 Business Plan presented on November 7, 2019, found that taxable income would be sufficient to use the deferred tax assets recognised by the bank.

The criteria used for the recognition of deferred tax assets can be summarised as follows:

- deferred tax assets correspond to the amounts of income tax that can be recovered in future years regarding temporary differences;
- the prerequisite for recognising deferred tax assets is the that it is reasonable to expect that taxable income will be earned against which the deductible temporary differences can be used.

IRES and IRAP were calculated by applying the tax rates established under current law, using the new 24% tax rate for IRES purposes and, for Italfondiario only, applying the 3.5 percentage-point surtax envisaged for credit and financial institutions (Law 208 of December

28, 2015).

With regard to the calculation of the new IRAP (regional business tax) rate, we continue to assume that doValue will continue to the meet the requirements for classification as a non-financial holding company, as at December 31, 2019. In accordance with that classification, doValue determines its tax base on the same basis as ordinary companies, and takes account of the difference between the interest income and similar income and the borrowing costs and similar charges to the extent provided for under tax law, also applying the increased rate (of 5.57%) levied on credit and financial institutions.

Deferred tax assets
Breakdown

(€/000)

	03/31/2020	12/31/2019
Writedowns of loans (P&L)	49,329	49,329
Tax losses carried forward (P&L)	13,024	13,082
Provisions recognised through Equity	508	502
Provisions for risks and charges (P&L)	4,387	4,929
Property, plant and equipment / intangible assets (P&L)	22,637	22,637
Administrative expenses (P&L)	217	149
Other assets / liabilities (P&L)	104	112
TOTAL	**90,206**	**90,740**

Change

(€/000)

	Income Statement	Recognised in equity	Total 03/31/2020	Total 12/31/2019
Opening balance	**90,238**	**502**	**90,740**	**81,406**
Initial adjustments	(1)	-	(1)	-
Increases	**395**	**6**	**401**	**35,749**
Deferred tax assets recognised during the year	395	6	401	2,920
- Other	395	6	401	2,920
Other changes	-	-	-	88
Business combination	-	-	-	32,741
Decreases	**(934)**	**-**	**(934)**	**(26,415)**
Deferred tax assets derecognised during the year	(934)	-	(934)	(26,415)
- Reversals of temporary differences	(934)	-	(934)	(13,753)
- Other	-	-	-	(12,662)
TOTAL	**89,698**	**508**	**90,206**	**90,740**

Deferred tax liabilities
Breakdown

(€/000)

	03/31/2020	12/31/2019
Provisions recognised through P&L	25,639	24,866
Provisions recognised through Equity	25	20
TOTAL	**25,664**	**24,886**

Change

(€/000)

	Income Statement	Recognised in equity	Total 03/31/2020	Total 12/31/2019
Net opening balances	**24,866**	**20**	**24,886**	**21**
Increases	**858**	**-**	**858**	**25,650**
Deferred tax liabilities recognised during the year	858	-	858	1
- Other	858	-	858	1
Other changes	-	-	-	19
Business combination	-	-	-	25,630
Decreases	**(85)**	**5**	**(80)**	**(785)**
Deferred tax liabilities derecognised during the year	(85)	5	(80)	(765)
- Reversals of temporary differences	-	5	5	(765)
- Other	(85)	-	(85)	-
Other changes	-	-	-	(20)
TOTAL	**25,639**	**25**	**25,664**	**24,886**

The amount of deferred tax liabilities referring to business combinations derives from the provisional application of the purchase price allocation and, in particular, the overall tax effect of the fair value adjustments made to the initial consolidation values of the acquired company.
The change for the period regards the tax effect of changes in assets and liabilities adjusted by the PPA process.

NOTE 5 – OTHER ASSETS

The following table provides a breakdown of other current and non-current assets.

(€/000)

	03/31/2020	12/31/2019
Other non current assets	**107**	**106**
Other current assets	**24,683**	**20,145**
Accrued income / prepaid expenses	5,284	2,779
Items for employees	1,481	1,453
Receivables for advances	6,031	6,115
Tax receivables	9,064	6,673
Other items	2,823	3,125
TOTAL	**24,790**	**20,251**

Other non-current assets mainly consist of security deposits.
The increase in the period mainly reflects an increase in VAT receivables recognised under tax receivables and prepaid expenses connected with costs incurred in the FPS acquisition.

NOTE 6 – INVENTORIES

At March 31, 2020 the item amounted to €137 thousand, unchanged on December 31, 2019.

NOTE 7 – TRADE RECEIVABLES

(€/000)

	03/31/2020	12/31/2019
Receivables	**170,063**	**188,228**
Receivables accruing (Invoices to be issued)	86,552	108,566
Receivables for invoices issued but not collected	83,511	79,662
Provisions	**(8,540)**	**(11,237)**
Provisions for expected losses on receivables	(8,540)	(11,237)
TOTAL	**161,523**	**176,991**

Trade receivables arise in respect of invoices issued and accruing revenues mainly connected with servicing activities and property services.
The reduction during the quarter in accruing receivables is connected with seasonal effects and contingent circumstances that reduced revenues. The value of invoices issued but not collected is broadly in line with that at the end of December, underscoring the good performance of the cash-in for collected invoices.

NOTE 8 – TAX ASSETS AND TAX LIABILITIES

The following table provides a breakdown of tax liabilities at March 31, 2020 and December 31, 2019.

Tax assets

(€/000)

	03/31/2020	12/31/2019
Current tax assets	979	1,141
VAT asset	9	
TOTAL	**988**	**1,141**

Tax liabilities

(€/000)

	03/31/2020	12/31/2019
Current tax liabilities	7,743	7,853
VAT liability	3,669	5,249
Withholding taxes and others	2,812	4,359
TOTAL	**14,224**	**17,461**

The decrease in tax liabilities with respect to December 31, 2019 essentially reflects the VAT liability position.
Current tax liabilities still include €4.6 million relating to a tax dispute of the subsidiary Altamira concerning tax returns for tax years preceding the acquisition by doValue. The main portion of that amount (€4.1 million) will be repaid by the seller of Altamira on the basis of the clauses provided for in the Share Purchase Agreement as a purchase price adjustment. The remainder of €0.5 million will be covered by an insurance policy entered into at the time of the acquisition. The request for compensation will follow the payment of the amount to the Spanish tax authorities, which is expected to occur in the second quarter of 2020.

NOTE 9 - CASH AND CASH EQUIVALENTS

The balance of €134.3 million, an increase of €6.1 million compared with the €128.1 million reported at December 31, 2019, represents the liquidity available at the end of the quarter.
For an analysis of changes in cash and cash equivalents, please see the consolidated cash flow statement.

NOTE 10 – ASSETS HELD FOR SALE AND RELATED LIABILITIES

At March 31, 2020 the balance of assets held for sale and related liabilities was unchanged on that at December 31, 2019.

(€/000)

	03/31/2020	12/31/2019
NON-CURRENT ASSETS:		
Non-current financial assets	10	10
Total non-current assets	**10**	**10**
TOTAL ASSETS HELD FOR SALE	**10**	**10**

Liabilities and **equity**

NOTE 11 – SHAREHOLDERS' EQUITY

	03/31/2020	12/31/2019
Share Capital (euro thousand)	41,280	41,280
Number of ordinary shares	80,000,000	80,000,000
Nominal value of ordinary shares	0.52	0.52
Treasury Shares (euro thousand)	184	184
Number of treasury shares	1,164,174	1,164,174

Other reserves break down as follows:

(€/000)

	03/31/2020	12/31/2019
Reserves from allocation of profits or tax-suspended reserves	**57,114**	**18,607**
Legal reserve	8,256	8,256
Reserve art. 7 Law 218/90	2,304	2,304
Tax-suspended reserve from business combinations	2	2
Reserve from FTA IAS art. 7 par. 7 Lgs. Decree 38/2005	8,780	8,780
Reserve from FTA IAS IFRS 9	1,140	1,140
Reserve from retained earnings IAS art. 6 par. 2 Lgs. Decree 38/2005	29,362	(9,145)
Reserve established in by laws for purchase of treasury shares	184	184
Reserve from retained earnings - Share Based Payments	7,086	7,086
Other reserves	**129,793**	**127,291**
Extraordinary reserve	102,799	102,970
Reserve, Lgs. Decree no. 153/99	6,103	6,103
Legal reserve for distributed earnings	44	44
Reserve art. 7 Law 218/90	4,179	4,179
Reserve from business combinations	579	579
Share Based Payments Reserve	7,338	6,849
Consolidation reserve	21,316	21,354
Negative reserve for put option on non-controlling interests	(12,565)	(14,787)
TOTAL	**186,907**	**145,898**

As at the date of approval of this Consolidate Interim Report at March 31, 2020, the proposed allocation of net profit for 2019 had not yet been approved by the Shareholders' Meeting, which has been called for May 26, 2020.

Accordingly, pending the allocation of 2019 net profit of €38.5 million, it has been provisionally classified under **Reserves from allocation or profits or tax-suspended reserves**.

In addition to that change, Other reserves also increased by €2.5 million during the period, mainly attributable to:

- €2.2 million decrease in the negative reserve associated with the recognition of the financial liability for the **option to purchase non-controlling interests** pursuant to IAS 32 in the amount that exceeds the non-controlling interests identified in the Altamira PPA of €20.9 million. See the section on Business Combinations for more information.

- net increase of €489 thousand in **Share Based Payments** reserves accounted for pursuant to IFRS 2 in implementation of the post-IPO remuneration policy, which provides for the grant of shares as remuneration to certain categories of managers.

The valuation reserves at March 31, 2020 stood at €44 thousand (€13 thousand at December 31, 2019) and include the measurement of the post-employment benefits in accordance with IAS 19 and the fair value measurement of the derivative contract (interest rate swap) obtained to hedge the cash flows on the facility loan linked to the acquisition of Altamira.

NOTE 12 – LOANS AND OTHER FINANCING

(€/000)

	Interest Rate %	Due Date	03/31/2020	12/31/2019
Non-current loans and other financing			**285,210**	**285,581**
Bank loan	2.5%	03/22/2024	285,196	284,944
Due to other lenders			14	637
Current loans and other financing			**82,142**	**79,683**
Bank loan	2.5%	03/31/2021	82,108	79,683
Due to other lenders			34	-
TOTAL			**367,352**	**365,264**

The balance of loans and other financing at March 31, 2020 mainly includes the loans from banks taken out to fund the acquisition of Altamira at the end of the first half of 2019.
The loan (the Facility Loan) has a term of 5 years and provides for repayment in six-monthly instalments. The rate is variable (6-month Euribor) plus a spread linked to a number of financial covenants monitored on a quarterly basis).
In order to cover the interest rate risk, the exposure had been hedged with a cash flow hedge instrument that was activated during the third quarter of 2019.
Pursuant to IFRS 9, the debt is measured on the basis of the amortised cost criteria and therefore takes account of the costs connected with obtaining the loan.

NOTE 13 – OTHER FINANCIAL LIABILITIES

(€/000)

	03/31/2020	12/31/2019
Other non-current financial liabilities	**40,477**	**43,922**
Lease liabilities	10,546	10,671
Put option on non-controlling interests	29,806	33,194
Hedging derivatives	125	57
Other current financial liabilities	**47,531**	**47,477**
Lease liabilities	7,194	7,356
Earn-out	40,058	39,811
Hedging derivatives	279	310
TOTAL	**88,008**	**91,399**

Lease liabilities, divided into current and non-current components, represent the recognition of the discounted value of lease payments following the introduction of IFRS 16, as explained in the section on Accounting Policies. Please see note 19 for information on changes in lease liabilities during the period.
The liability for the **earn-out** is connected with the Altamira acquisition and represents a portion of the Altamira acquisition price that will be defined within two years of the date of the agreement, i.e. at the end of December 2020.
The **put option on non-controlling interests** represents the liability connected with the option to purchase the residual non-controlling interests of Altamira, which expires at the end of June 2021.
Hedging derivatives comprise an interest rate swap ("IRS") that the Company agreed with leading banks with starting date of June 28, 2019 and expiry date of March 22, 2024.
These contracts cover the risk of interest rate fluctuations on loan contracts as described in note 12 "Loans and Other Financing". The IRS in question are amortising, with a notional initial total value of €311 million and residual notional of €280 million as at March 31 2020.
The fair value of the derivatives is negative and totals €0.4 million. Since the hedging conditions of the derivatives were met for the underlying loans, they qualified for hedge accounting, with recognition of changes in fair value in the cash flow hedge reserve in equity. This value is entirely allocated to the equity reserve as the position always met the conditions for the adoption of hedge accounting.

Net financial indebtedness

In accordance with the requirements of Consob Communication of July 28, 2006 and in compliance with the CESR Recommendation of February 10, 2005 "Recommendations for the consistent implementation of the EU Regulation on prospectuses", the Group's net financial indebtedness at March 31, 2020 breaks down as follows.

(€/000)

Note			03/31/2020	12/31/2019
9	A	Cash on hand	5	8
9	B	Cash at banks and short-term deposits	134,274	128,154
	D	**Liquidity (A)+(B)**	**134,279**	**128,162**
3	**E**	**Current financial assets**	**1**	**-**
12	G	Current portion of non-current debt	(82,108)	(79,683)
12, 13	H	Other current financial debt	(47,565)	(47,477)
	I	**Current financial indebtness (F)+(G)+(H)**	**(129,673)**	**(127,160)**
	J	**Net current financial indebtness (I)+(E)+(D)**	**4,607**	**1,002**
12	K	Bank loan, non-current	(285,196)	(284,944)
12, 13	M	Other non-current loans	(40,491)	(44,559)
	N	**Non-current financial indebtness (K)+(L)+(M)**	**(325,687)**	**(329,503)**
	O	**Net financial indebtness (J)+(N)**	**(321,080)**	**(328,501)**

Compared with the net financial position of €233 million reported in the Directors' Report on

Group Operations, this table includes the debt items reported under letters E, H and M, for a total of €88.1 million.
The following table reconciles the two different representations:

(€/000)

		03/31/2020	12/31/2019
A	**Net financial indebtness**	**(321,080)**	**(328,501)**
	Other current financial debt	47,565	47,477
	Other non-current loans	40,491	44,559
	Current financial assets	(1)	-
B	**Items excluded from the Net financial position**	**88,055**	**92,036**
C	**Net financial position (A)+(B)**	**(233,025)**	**(236,465)**

NOTE 14 – EMPLOYEE BENEFITS

The following table shows changes in the provision for post-employment benefits.

(€/000)

	03/31/2020	12/31/2019
Opening balance	8,544	9,577
Initial adjustments	1	-
Increases	20	3,900
Provisions for the year	20	150
Others changes	-	3,750
Decreases	(442)	(4,933)
Benefits paid	(442)	(1,604)
Others changes	-	(3,329)
CLOSING BALANCE	**8,122**	**8,544**

NOTE 15 – **PROVISIONS FOR RISKS AND CHARGES**

(€/000)

	Total Funds in exchange for "Provisions for risk and charges"						Funds in exchange for other items		
	Legal and tax disputes	- o.w. Employee disputes	Out-of-court disputes and other provisions	- o.w. Employee disputes	Provisions for other commitments and guarantees issued	Total Funds in exchange for "Provisions for risk and charges"	Potential liabilities for employee	Total 03/31/2020	Total 12/31/2019
Opening balance	**14,035**	**581**	**4,272**	**-**	**3**	**18,310**	**7,359**	**25,669**	**20,754**
Initial adjustments	-	-	-	-	-	-	-	-	151
Increases	**409**	**70**	**31**	**-**	**-**	**440**	**279**	**719**	**19,616**
Provisions for the year	470	70	55	-	-	525	279	**804**	11,460
Changes due to the passage of time and changes in the discount rate	(61)	-	(24)	-	-	(85)	-	**(85)**	(6)
Business combination	-	-	-	-	-	-	-	-	5,424
Other changes	-	-	-	-	-	-	-	-	2,737
Decreases	**(1,118)**	**(185)**	**(878)**	**-**	**-**	**(1,996)**	**(1,043)**	**(3,039)**	**(14,852)**
Reallocations of the year	(406)	(185)	(878)	-	-	(1,284)	(1,043)	**(2,327)**	(2,630)
Utilisation for payment	(712)	-	-	-	-	(712)	-	**(712)**	(8,914)
Other changes	-	-	-	-	-	-	-	-	(3,308)
CLOSING BALANCE	**13,326**	**466**	**3,425**	**-**	**3**	**16,754**	**6,595**	**23,349**	**25,669**

The item **legal and tax disputes** primarily reports provisions in respect of the risks of litigation brought against the Group concerning its core activities. It decreased by €709 thousand owing to the greater impact of the settlement of a number of disputes compared with provisions for new disputes.

The item **out-of-court disputes and other provisions** mainly reports provisions for risks for which no litigation has currently been undertaken.
This provision also decreased during the quarter, contracting by €847 thousand, mainly reflecting the reversal of provisions for risks connected with our activities, which in the absence of legal action no longer obtain.

The item **contingent liabilities for employees** includes provisions to finance any bonuses not governed by existing agreements or determinable quantification mechanisms and MBO bonuses. The amount of this item also reflects remuneration policies, which for certain categories of manager envisage changes in the structure of variable remuneration, which provides for deferred amounts and the grant of equity instruments. The decrease of €764 thousand in the period reflects cost containment measures taken by management in response to the contingent circumstances connected with the COVID-19 pandemic.

Risks connected with outstanding litigation

The Group operates in a legal and legislative context that exposes it to a vast range of possible litigation connected with the core business of servicing, loan recovery, potential administrative irregularities and labour litigation.

The associated risks are assessed periodically in order to quantify a specific allocation to the "Provision for risks and charges" whenever an outlay is considered probable or possible on the basis of the information that becomes available, as provided for in the specific internal policies.

NOTE 16 – TRADE PAYABLES

(€/000)

	03/31/2020	12/31/2019
Payables to suppliers for invoices to be received	22,621	31,392
Payables to suppliers for invoices to be paid	16,631	15,577
TOTAL	**39,252**	**46,969**

The reduction in trade payables is linked to seasonal differences with circumstances in December: in the first few months of the year, payments mainly regarded invoices accruing for 2019, while purchasing in the new financial year slowed as a result of the COVID-19 pandemic.

NOTE 17 – OTHER CURRENT LIABILITIES

The composition of other current liabilities, which mainly include payables to personnel and related social security contributions, is shown in the following table.
The individual items did not change significantly with the balances reported at December 31, 2019.

(€/000)

	03/31/2020	12/31/2019
Amounts to be paid to third parties	2,609	2,841
Amounts due to personnel	8,795	11,472
o.w. employees	*8,691*	*11,380*
o.w. members of Board of Directors and Auditors	*104*	*92*
Amounts due to pension and social security institutions	3,372	4,902
Items being processed	4,806	3,288
Other items	2,920	2,245
Accrued expenses / deferred income	644	448
TOTAL	**23,146**	**25,196**

NOTE 18 – SHARE-BASED PAYMENTS

At the date of preparation of these condensed consolidated interim finanical statements at March 31, 2020, the remuneration and incentive policies for 2020 had not yet been approved by the Shareholders' meeting. Accordingly, the accounts for these items at March 31, 2020 do not include any new provisions deriving from those policies.
By contrast, the figures at March 31 do include the effects of the remuneration policies for 2019 and previous years. More specifically, the policy for 2019 was approved by Shareholders' Meeting of doValue on April 17, 2019, which provides for remuneration systems that in some cases envisage the use doValue's own financial instruments.
They include the following types of remuneration:

- a portion of the fixed remuneration and the entire variable component under the annual Management By Objectives (MBO) bonus system of the Chief Executive Officer is paid in shares;
- a portion of the variable remuneration under the Key Personnel MBO system (selected from among the key members of personnel) and the Selected Personnel (who are accountable for project initiatives and planning under way) is paid in shares. This assumes that they have achieved an over-performance within the MBO system, with the resulting payment of variable remuneration of up to 200% of fixed remuneration.

The variable component of remuneration indicated above is paid in part up front and in part on a deferred basis. The up-front portion is paid after the approval, by the Shareholders' Meeting, of the financial statements for the vesting period and no later than the month of July.
The deferred variable portion is paid after a period that varies from 3 to 5 years depending on

the beneficiary.
To assure the stability of the financial position, liquidity and the ability to generate risk-adjusted profits, consistent with the Group's long-term strategic objectives, the deferred portions are paid out on the condition that the gates for financial soundness and liquidity are achieved, as measured for the year prior to their vesting (the vesting period).
Shares awarded up-front are subject to a two-year retention period, while the deferred shares are subject to a one-year retention period, starting from the time they vest.
The Group uses treasury shares for these remuneration plans.
The reference price used to calculate the number of shares to be awarded as the equivalent value of the variable remuneration due is the average stock market price in the 3 months prior to the award date. For the fixed remuneration paid in shares for the Chief Executive Officer, the reference price is the average stock market price in the 30 days prior to the award date.
In order to reflect the levels of performance and risk actually taken on, and to take account of the individual contribution of the beneficiaries, the Group applies ex-post correction mechanisms (malus and claw-back clauses) defined in accordance with the provisions of the applicable national collective bargaining agreements, where applicable, or any individual agreements.
For more details on the mechanisms and terms for the award of shares, please see the information documentation published on the Group website www.dovalue.it (in the "Governance/Remuneration" section).

The amount recognised in profit or loss for the first quarter of 2020 amounts to €489 thousand, with a corresponding amount reflected in a specific equity reserve.

NOTE 19 – **LEASES**

The Group leases properties and vehicles that are used in operations or assigned to employees. The property leases generally have an original term of 6 years, while the vehicle leases generally have an original term of 4 years. The liabilities in respect of these leases contracts are secured by the lessors' ownership of the leased assets. In general, the Group may not sublet its leased assets to third parties. Most of the leases include renewal or cancellation options typical of property leases, while none envisage variable payments.
The Group also has leases for certain electronic systems (hardware), properties and vehicles with a term equal to or less than 12 months or whose value is low. For these leases, the Group has elected to apply the exceptions provided for under IFRS 16 regarding short-term or low value leases.

The following table reports the carrying amounts of right-of-use assets and changes in the period:

(€/000)

	Buildings	Electronuc system	Other tangible assets	Total 03/31/2020	Total 12/31/2019
Opening balance	**16,686**	**-**	**1,154**	**17,840**	**16,685**
Increases	**65**	**4,022**	**(18)**	**4,069**	**6,980**
Purchases	65	4,022	(18)	4,069	4,604
Other changes	-	-	-	-	2,376
Decreases	**(2,024)**	**(335)**	**(144)**	**(2,503)**	**(5,825)**
Amortisation	(2,024)	(335)	(144)	(2,503)	(5,741)
Other changes	-	-	-	-	(84)
CLOSING BALANCE	**14,727**	**3,687**	**992**	**19,406**	**17,840**

The following table reports the carrying amounts of lease liabilities (recognised under "other financial liabilities") and changes in the period:

(€/000)

	03/31/2020	12/31/2019
Opening balance	**18,028**	**16,560**
Increases	**1,839**	**7,034**
New liabilities	1,737	3,967
Financial expenses	102	716
Others changes	-	2,351
Decreases	**(2,125)**	**(5,566)**
Payments	(2,142)	(5,477)
Others changes	17	(89)
CLOSING BALANCE	**17,742**	**18,028**
o.w.: Non-current lease liabilities	10,546	10,672
o.w.: Current lease liabilities	7,194	7,355

The amounts recognised in profit or loss are given in the following table:

(€/000)

	03/31/2020	03/31/2019
Amortisation of right-of-use assets	(2,495)	(5,741)
Financial expenses from lease liabilities	(100)	(716)
TOTAL	**(2,595)**	**(6,457)**

CONSOLIDATED **INCOME STATEMENT**

NOTE 20 – REVENUE FROM CONTRACTS WITH CUSTOMERS

(€/000)

	03/31/2020	03/31/2019
Servicing services	37,836	30,343
Servicing for securitisations	24,338	19,192
REO services	12,455	-
TOTAL	**74,629**	**49,535**

Overall, the item increased by 51% compared with the same period of 2019, while on a like-for-like basis, i.e. excluding the contribution of Altamira, it was down by 29%.
The contribution of the new acquisition amounted to €27 million for **Servicing services,** which posted a 25% increase compared with the first quarter of 2019.
Altamira also contributed fully to the new **REO services** line with revenues of €12.5 million.
The revenues from **Servicing for securitisations** were also up 27% to €24.3 million.

NOTE 21 – OTHER REVENUES

(€/000)

	03/31/2020	03/31/2019
Administrative Servicing / Corporate Services Provider	1,356	2,409
Information services	1,346	968
Recovery of expenses	230	1,714
Due diligence & Advisory	1,836	26
Ancillary REO services	4,600	-
Other revenues	409	89
TOTAL	**9,777**	**5,206**

Other revenues increased by 88% compared with the year-earlier period.
Altamira again made a significant contribution, with €6.0 million recognised under Due Diligence & Advisory (€1.2 million), Ancillary REO services (the entire amount reported) and Other revenues (€0.3 million).

NOTE 22 – COSTS FOR SERVICES RENDERED

(€/000)

	03/31/2020	03/31/2019
Costs for management of agency contracts	(6,176)	(3,228)
Brokerage fees	(3,873)	-
Costs for services	(217)	(8)
TOTAL	**(10,266)**	**(3,236)**

The item, which includes fees paid to the recovery network, increased to three times its level shows in the same period of the previous year. However, excluding the contribution of Altamira, which mainly regarded costs for the management of agency contracts (€3.9 million) and brokerage fees (€3.9 million), costs for services rendered in Italy declined by 29% compared with the first quarter in 2019, in line with expectations for savings from the reduction of the use of outsourcing services.

NOTE 23 – PERSONNEL EXPENSES

(€/000)

	03/31/2020	03/31/2019
Payroll employees	(41,519)	(25,018)
Members of Board of Directors and Board of Auditors	(969)	(968)
Other personnel	(1)	(18)
TOTAL	**(42,489)**	**(26,004)**

Average number of employees by category

	03/31/2020	03/31/2019
Payroll employees	**2,368**	**1,233**
a) Executives	123	41
b) Managers	818	505
c) Other employees	1,427	687
Other staff	**12**	**12**
TOTAL	**2,380**	**1,245**

Personnel expenses increased by 63% on March 31, 2019, although they contracted by 14% on a like-for-like basis, i.e. excluding Altamira, which contributed €20 million in costs and about 1,174 employees to the figures for the average workforce in the period.
The decline was attributable to the Group's prudent approach in this initial quarter of 2020, with a decrease in costs for the variable components of remuneration as well as in holiday pay and the hour bank, partly offset by early termination incentives amounting to €2.6 million in the first quarter of 2020 (€2.1 million excluding Altamira).

NOTE 24 – ADMINISTRATIVE EXPENSES

(€/000)

	03/31/2020	03/31/2019
External consultants	(4,468)	(2,607)
Information Technology	(6,606)	(3,947)
Administrative and logistical services	(875)	(948)
Rentals, building maintenance and security	(858)	(1,008)
Insurance	(416)	(418)
Indirect taxes and duties	(609)	(609)
Postal services, office supplies	(803)	(371)
Indirect personnel expenses	(437)	(220)
Debt collection	(209)	(427)
Utilities	(301)	(239)
Advertising and marketing	(784)	(74)
Other expenses	(338)	(45)
TOTAL	**(16,704)**	**(10,913)**

Administrative expenses increased by 53% on the same period of 2019. Excluding Altamira, they contracted by 29%, reflecting overall cost containment measures, mainly in respect of consultants and IT costs for software development.

NOTE 25 – OTHER OPERATING CHARGES/INCOME

(€/000)

	03/31/2020	03/31/2019
Recovery of expenses	-	2
Reductions in assets	(45)	(14)
Other expenses	27	(66)
TOTAL	**(18)**	**(78)**

NOTE 26 – DEPRECIATION, AMORTISATION AND IMPAIRMENT

(€/000)

	03/31/2020	03/31/2019
Intangible assets	**(11,990)**	**(597)**
Amortisation	(11,990)	(597)
Property, plant and equipment	**(3,004)**	**(1,049)**
Amortisation	(3,004)	(1,049)
Financial assets measured at amortised cost	**2**	**23**
Writedowns	2	(12)
Writebacks	-	35
Trade receivables	**(19)**	**-**
Writedowns	(19)	-
TOTAL	**(15,011)**	**(1,623)**

Much of the increase in the first quarter of the year reflected the contribution of Altamira, whose depreciation and amortisation charges respectively accounted for 92% and 34% of the totals reported.

NOTE 27 – PROVISIONS FOR RISKS AND CHARGES

(€/000)

	03/31/2020			03/31/2019		
	Provisions	Reallocations	Total	Provisions	Reallocations	Total
Legal and tax disputes	(409)	406	**(3)**	(237)	9	**(228)**
o.w. Employee disputes	*(70)*	-	***(70)***	*(83)*	-	***(83)***
Out-of-court disputes	(31)	878	**847**	-	-	**-**
TOTAL	**(440)**	**1,284**	**844**	**(237)**	**9**	**(228)**

The item consists of operational changes in provisions, with the exception of those for employee benefits (classified under personnel costs), allocated to meet legal and contractual obligations that are presumed will require an outflow of economic resources in subsequent years.
At March 31, 2020, the item shows a positive balance of €844 thousand, compared with a negative €229 thousand for the same period of 2019. This trend reflected the reversal of excess provisions for a number of disputes that did not lead to litigation.

NOTE 28 – FINANCIAL (EXPENSE)/INCOME

(€/000)

	03/31/2020	03/31/2019
Financial income	**150**	**182**
Income from financial assets measured at fair value through P&L	141	166
Income from financial assets measured at amortised cost	9	16
Financial expense	**(3,201)**	**(61)**
Expense from financial liabilities measured at amortised cost	(2,647)	(2)
Expense from hedging derivates	(85)	-
Other financial expenses	(469)	(59)
TOTAL	**(3,051)**	**121**

Financial income mainly includes revenues from the Romeo and Mercuzio asset-backed securities, which decreased compared with March 2019 as a result of the progressive redemption of outstanding securities.
Financial expense (€3.2 million) is entirely accounted for by the loan taken out at the end of June for the acquisition of Altamira, including charges from hedging derivatives in respect of an interest rate swap (IRS) hedging that loan.
Other financial expenses regard interest calculated in accordance with IFRS 16, which took effect as from January 1, 2019.

NOTE 29 – INCOME TAX EXPENSE

(€/000)

	03/31/2020	03/31/2019
Current tax	(743)	(2,330)
Reduction of current taxes for the year	42	-
Changes in deferred taxes assets	(539)	(2,738)
Changes in deferred taxes liabilities	(773)	-
TOTAL	**(2,013)**	**(5,068)**

Accrued income taxes for the period amounted to €2.0 million, a sharp decrease compared with the same period of the previous year, which reflected the reversal to profit or loss of excess provisions for current taxes allocated in previous years, mainly as a consequence of the lower taxable income recorded in the period.

INFORMATION ON **RISKS** AND RISK **MANAGEMENT POLICIES**

INTRODUCTION

The doValue Group, in line with the applicable regulations and best practices, has implemented an internal control system which seeks to constantly monitor the main risks connected with the Group's activities in order to guarantee sound and prudent management consistent with the pre-established objectives.
The Group Internal Control System is based on control bodies and departments, information flows and mechanisms to involve the applicable parties and Group governance mechanisms. More specifically, the Group has structured its internal control organisational model by aiming to ensure integration and coordination between the actors within the internal control system, in compliance with the principles of integration, proportionality and cost-effectiveness.

As set out in more detail in the Company Governance Report, which readers are invited to consult, in 2019 the structure of the internal control system was revised to reflect the impact resulting from the doValue Group reorganisation project and changes in the applicable regulatory environment.

The essential elements of that project with an impact on the Group control system were the following:
- the transformation of the Parent Company, doValue, from a bank into a servicing company authorised in accordance with Article 115 of the TULPS (Consolidated Public Security Act);
- the dissolution of the existing banking group;
- the continuation of the subsidiary Italfondiario, a financial intermediary registered with the register pursuant to Article 106 of the Consolidated Banking Act, as an entity subject to the supervisory regulations pursuant to Circular 288 of April 3, 2015 of the Bank of Italy.

These elements informed the review of the structure of the internal control system which led to the following main amendments:

- the redefinition of the management, coordination and control model of the Group and the role covered in that model by the Parent Company, abandoning the approach based primarily on the Bank of Italy's supervisory regulations and reorganising it in accordance with the provisions of the Italian Civil Code for economic groups;

- the introduction within the internal control system of a new "Internal Control department" (to which the internal audit and anti-money laundering units report) in order to ensure the unified coordination of risk governance arrangements and ensure an overall assessment of their adequacy;

- the revision of the mission of the doValue Group's Internal Audit function. While it was confirmed that internal audit activities for the Group would be concentrated with the unit starting from the completion of the debanking process for the Parent Company and its subsidiaries not subject to supervision, those duties would be expanded with addition of periodic audits to ensure compliance with the applicable laws for those legal entities;

- while retaining a centralised governance model compliant with the anti-money laundering regulatory framework, in accordance with the provisions of the Fourth EU Anti-Money Laundering Directive, refocusing the scope of the doValue Anti-Money Laundering function on the Parent Company and non-supervised subsidiaries, and establishing independent anti-money laundering units at the subsidiaries Italfondiario and doValue Hellas;

- the revision of the scope of the corporate control functions following the lapse of the obligations established by Circular no. 285/2013 of the Bank of Italy. Accordingly, the corporate control functions currently comprise the Internal Audit and Anti-Money Laundering units and the Financial Reporting Officer at the Parent Company, the Risk Management, Compliance and AML Unit of Italfondiario (in accordance with the provisions of Circular no. 288/2015 of the Bank of Italy) and the Anti-Money Laundering Unit of doValue Hellas;

- the revision of the definition and scope of the other corporate functions involved in managing the internal control system, covering specific regulatory/risk areas, with the inclusion of the Parent Company's Operational Risk Management unit and Compliance & DPO unit in that scope;

- the revision and updating of the information flows relating to the internal control system (to ensure the model is consistent with the new organisational structure of the Parent Company) and the reporting flows to the supervisory authorities to reflect the effects of the debanking process.

Apart from the organisational changes outlined above, the internal control system continues to be structured as follows:

- primary responsibility for the completeness, adequacy, functionality and reliability of the system is attributed to the governing bodies, and, in particular, to the Board of Directors, which is responsible for the strategic planning, management, evaluation and monitoring of the overall internal control system. To that end, the Chief Executive Officer in particular also performs the functions of director in charge of supervising the operation of the internal control and risk management system in accordance with the Corporate Governance Code. The Board of Statutory Auditors is responsible for overseeing the completeness, adequacy and effectiveness of the internal control system, ensuring the adequacy of the company units involved, the correct performance of duties and the adequate coordination of duties, promoting any necessary corrective actions;

- level three controls, which are assigned to the Internal Audit function, are targeted at periodically evaluating the completeness, functionality, adequacy and reliability of the internal control system in terms of its efficiency and effectiveness in relation to the nature and scale of the risks to which the company is exposed, also identifying any breaches of the organisational measures adopted by the Group;

- level two controls seek to ensure the correct implementation of the risk management process, to verify compliance with the limits assigned to the various operating functions, to control the consistency of the operations of the individual operational areas with the risk-return objectives assigned as well as guarantee the compliance of company operations with applicable rules, including corporate governance regulations;

- level one controls are aimed at ensuring the proper performance of operations and are carried out by the company units responsible for business/operating activities, which, within the scope of their daily operations, are called upon to identify, measure, monitor and mitigate risks deriving from ordinary company activities, in compliance with the risk management process and the applicable internal procedures.

The adoption of an internal control and risk management system is also consistent with the provisions of the Borsa Italiana Corporate Governance Code, which the Parent Company doValue decided to adopt to after its listing on the Italian regulated stock market (MTA), in the awareness that one of the crucial elements of the governance of a listed company is precisely its internal control system.

Board of Directors and the Risk and Transactions with Related Parties Committee

The guidelines of the internal control and risk management system are defined by the Board of Directors of the Parent Company in accordance with the strategic guidelines and risk appetite it has established. Accordingly, in line with Application Criteria 7.C.1 letter a) of the Corporate Governance Code, the Board ensures that the main risks are correctly identified, measured and monitored appropriately, taking account of developments in the risks and their interaction.
The Board of Directors performs assessments and makes decisions concerning the internal control and risks management system with the support of the Risk and Transactions with Related Parties Committee.
The Board of Directors fosters the dissemination of a corporate culture of internal controls that leverages corporate control functions to ensure all personnel are aware of its role. To that end, the Board of Directors approved a Code of Ethics, attached to the Organisational and Management Model pursuant to Legislative Decree 231/2001, which formalises the principles that guide the conduct of the corporate bodies and employees in performing their duties.

Board of Statutory Auditors

The Board of Statutory Auditors monitors the comprehensiveness, appropriateness and functionality of the internal control system and the risk management and control processes, ensuring the adequacy of the company units involved, the correct performance of their duties and the appropriate coordination of activities, promoting corrective actions for any shortcomings or irregularities found.
In accordance with the governance model adopted by the Group, the Parent Company's Board of Statutory Auditors also performs the functions of the Supervisory Board pursuant to Legislative Decree 231/2001.

Corporate control functions

Following completion of the reorganisation of the Group internal control system as noted at the beginning of this section, the Internal Audit and Anti-Money Laundering units form part of the doValue corporate control functions, reporting directly to the Internal Control Department and the Financial Reporting Officer in accordance with Law 262/05. These functions are separate from one another and hierarchically independent of the company functions that carry out the activities that are subject to their controls.

Internal Control Department

The Internal Control Department ensures the uniform coordination of risk governance - in accordance with the lines of strategic development being pursued by the Parent Company - and conducts – on an ongoing basis – an overall and forward-looking assessment of the adequacy of the controls implemented in corporate processes and systems.
In order to ensure the centralised oversight and coordination of the control activities, and the planning and performance of audits, and to develop risk governance guidelines, Internal Audit and Anti-Money Laundering report directly to the head of the Control Department in order to monitor, respectively:

- the adequacy, functionality, reliability and compliance of the business and support corporate processes and the adequacy of the organisational, administrative and accounting structure;
- the risk of money laundering and terrorist financing.

Internal Audit

Within the scope of the centralised organisational model adopted by the Group for the internal control system, the Internal Audit unit at the Parent Company performs the internal audit role on behalf of both the Parent Company and its subsidiaries, and ensures the constant, independent and objective assessment of the overall internal control system to guarantee the related objectives are achieved and ensure the continuous improvement of the effectiveness and efficiency of the organisation.
Internal Audit directly notifies the units involved of the findings of its audit activity and the evaluations performed. Appropriate information flows ensure communication between Internal Audit and the Chief Executive Officer of the Parent Company and the Internal Control System Coordination management committee, which is responsible for ensuring that issues concerning the correct operation of the internal control system and the related remediation plans and those relating to the management and monitoring of the risks are addressed in a coordinated and structured manner. The unit also has direct access to the Board of Statutory Auditors and communicates with it without restrictions or intermediaries.
In general terms, Internal Audit provides support to top management in the promotion and dissemination of an adequate and solid internal control culture within the Group.

Anti-Money Laundering

Albeit within the scope of a centralised governance model for the regulatory framework aimed at preventing money laundering, in accordance with the provisions of the Fourth EU Anti-Money Laundering Directive, following completion of the debanking process the organisational model providing for the centralisation of the Anti-Money Laundering function for all the companies subject to such legislation with the Parent Company no longer applies. Accordingly, the scope of responsibility of the doValue Anti-Money Laundering unit in managing the risk of money laundering and terrorist financing now encompasses solely the Parent Company and the subsidiaries not subject to banking supervision. As a result, independent anti-money laundering functions were established at the subsidiaries Italfondiario and doValue Hellas.
The strategic decisions at Group level for the management of the risk of money laundering and terrorist financing are made by the corporate bodies of the Parent Company. The corporate bodies of the other Group companies will each be responsible, with the scope of their duties, for implementing the strategies and policies for managing the risk of money laundering and terrorist financing determined by the Parent Company within their organisations.

Financial Reporting Officer

In accordance with the provisions of the applicable regulations, the Board of Directors of the Parent Company has appointed a Financial Reporting Officer responsible, as provided for in external legislation, for defining and implementing an appropriate internal control system for the financial reporting of the Group and for establishing adequate administrative and accounting procedures for the preparation of the annual financial statements and the consolidated financial statements, as well as any other communication of a financial nature.
The Financial Reporting Officer also certifies, together with the Chief Executive Officer, the adequacy and effective application of these administrative and accounting procedures for the financial statements of the Parent Company, the consolidated financial statements and the interim consolidated financial statements for the period to which they refer, as well as the reliability of the data they contain and their compliance with applicable accounting standards.
Finally, the FRO verifies and certifies, with a specific declaration, that the information in the

Company's communications to the market concerning the financial statements, including interim reports, is consistent with the Company's accounting documents, books and registers.

Other corporate functions with control duties

The Operational Risk Management and the Compliance & DPO units of the Parent Company are among the corporate units of the Parent Company involved in the management of the internal control system, monitoring specific regulatory/risk areas.

Compliance & DPO

Within the scope of the new internal control system established following the debanking process, the following control officers with oversight duties were identified within the Compliance & DPO Operating Unit:

- the Data Protection Officer (DPO) of the Parent Company;
- the Anti-Bribery Manager

The Parent Company DPO performs support and control functions and provides advice, training and information concerning the application of the GDPR and national laws on the processing of personal data. The DPO also cooperates with the authorities and represents the point of contact for data subjects and other on issues relating to the processing of personal information.

The head of the Compliance & DPO Operating Unit also performs the role of Anti-Bribery Manager

Operational Risk Management

The Operational Risk Management unit reports directly to the Operations department in order to help that department perform its mission, represented by cost governance and the main processes that generate the various cost components, ensuring constant monitoring and proactive management of any risks related to the business and support processes and their possible impacts in terms of provisions and operating losses.

The unit is therefore responsible for overseeing the management of significant risks to which the Parent Company's activities are exposed, with specific regard to operational risks. It defines the associated guidelines and identifies and monitors those risks, using suitable methodological approaches, procedures and tools and providing appropriate reporting to the corporate bodies.

Financial risks

CREDIT RISK

Credit risk is defined as the risk for the creditor that a borrower will not discharge a financial obligation at maturity or subsequently, generating a financial loss. For the Company, the main assets exposed to such risk are trade receivables as well as non-performing loans held in our portfolio and deposits held with leading banks and financial institutions.

Trade receivables, which are at very short term and are settled with payment of the related invoice, are essentially attributable to servicing contracts under which the Group companies accrue receivables in respect of their counterparties, who may default due to insolvency, economic events, liquidity shortages, operational deficiencies or other reasons. Positions that are considered on objective grounds to be partly or wholly unenforceable are written down, taking account of any recoverable amounts and the associated date of collection. At March 31, 2020, the main trade counterparties were represented by banks with high credit standing and vehicle companies established pursuant to the provisions of Law 130/1999.

For a quantitative analysis, please see the notes on trade receivables.

With regard to individual non-performing positions, which concern a marginal number of positions acquired over time, the procedures and tools supporting the activity of the workout units always enable position managers to prepare accurate forecasts of the amounts and timing of expected recoveries on the individual relationships in accordance with the state of progress in the recovery management process. These analytical evaluations take account of all the elements objectively connected with the counterparty and are in any case conducted by the position managers in compliance with the principle of sound and prudent management.

LIQUIDITY RISK

The liquidity risk is manifested as the inability to raise, an economically sustainable manner, the financial resources necessary for the Group's operations.

The two main factors that determine the Group's liquidity situation are, on the one hand, the resources generated or absorbed by operating and investment activities and, on the other, the expiry and renewal characteristics of the debt or liquidity of financial investments and market conditions.

The Group has adopted a series of policies and processes to optimise the management of financial resources, thereby reducing liquidity risk.

The Parent Company doValue identifies and monitors liquidity risk on a current and forward-looking basis. In particular, the prospective assessment takes account of probable developments in the cash flows connected with the Group's business.

One of the main instruments for mitigating liquidity risk is the holding of reserves of liquid assets and revolving credit lines. The liquidity buffer represents the amount of liquid assets held by the Group and readily usable under stress conditions and deemed appropriate in relation to the risk tolerance threshold specified.

Management believes that the funds and credit lines currently available, in addition to the liquidity that will be generated by operations and financing activities, will enable the Group to meet its requirements for investment, working capital management and repayment of debt as it falls due.

MARKET RISK - INTEREST RATE RISK

The Group uses external financial resources in the form of debt and uses the cash available in the bank deposits. Changes in market interest rate levels influence the deposit expenses and remuneration of the investments.

In order to neutralise the exposure to the risk of changes in interest rates, the Group signed an interest rate swap (IRS) exclusively for hedging purposes. The fair value delta of the derivative instruments at March 31, 2020, amounting to €0.4 million, was directly recognised under the other components of the statement of comprehensive income. The interest rate subject to hedging is 6M Euribor and the details of the financial instruments being hedged are set out under Note 12 "Loans and Other Financing" while the details of the hedging instruments are set out under Note 13 "Other financial liabilities".

SECURITISATIONS

On September 30, 2016, the sale of the non-performing portfolio of the Parent company doValue to the securitisation special purpose vehicle Romeo SPV S.r.l. ("Romeo"), established in accordance with Law 130/1999 was completed. Subsequently, during the second quarter of 2017, the unsecured portion of the portfolio was transferred to the vehicle Mercuzio Securitisation S.r.l. ("Mercuzio") and at the same time the issue of ABSs by both the SPVs was completed with a single tranche of securities.

As originator, doValue has subscribed a nominal amount of notes equal to 5% of the total securities issued in order to comply with the provisions of the retention rule referred to in Regulation (EU) 575/2013 (the CRR).

In both operations, doValue plays the role of Servicer and Administrative Services Provider.

Operational risks

Operational risk is the risk of incurring losses due to the inadequacy or the failure of procedures, human resources and internal systems, or to external events.

This includes, among other things, losses from fraud, human error, the interruption of operations, system unavailability, contractual breaches and natural disasters. Operational risks (including the IT component) includes legal risk, while strategic and reputational risks are not included.

doValue adopts a set of controls, principles and rules to manage operational risk.

With regard to organisational aspects, the Operational Risk Management unit has been established within the Operations department of the Parent Company in order to help pursue the overall mission of that department, ensuring the constant monitoring and proactive management of any risks related to business and support processes and their possible impacts in terms of provisions and operating losses.

The unit is therefore responsible for overseeing the management of significant risks to which the Parent Company's activities are exposed, with specific regard to operational risks. It defines the associated guidelines and identifies and monitors those risks, using suitable methodological approaches, procedures and tools and providing appropriate reporting to the corporate bodies, consistent with the approach set out in the broader doValue control system.

The governance structure for operational risks envisages not only the direct involvement of senior management but also an Operational Risks Committee, which is responsible for doValue, proposing measures to address the risks detected, examining operational risk reports, recommending control procedures and limits on operational risks and monitoring risk mitigation actions.

In order to manage operational risks, doValue has implemented a structured set of processes, functions and resources dedicated to:

- the collection, registration and monitoring of operational risk reports from workout units and other company structures;
- the collection of internal loss data;
- the definition and implementation of operational risk indicators in the most important areas for company business activities.

With regard to the latter process, the indicators are a forward-looking component that promptly reflects improvements or deteriorations in the risk profile as a result of changes in operating segments, in human resources, technological and organisational resources as well as in the internal control system. In this regard, specific indicators have been created which are monitored on a monthly basis and compared with the previous month to justify any positive or negative changes in order to highlight any risks in corporate processes, as well as an action plan for indicators that do not fall within the specified range.

Finally, the Parent Company has set up a reporting system with different reporting dates and levels of detail that ensures timely reporting on operational risks to the corporate bodies and the managers of the organisational units involved.

Similarly, a risk management framework compliant with Circular no. 288 of April 3, 2015 of the Bank of Italy that provides for the management of operational risk identification processes, not unlike those of the Parent Company, has also been implemented at the Italfondiario subsidiary, which is entered the register of financial intermediaries pursuant to Article 106 of the Consolidated Banking Act, and the register of payment institutions pursuant to Article 114 - septies of the Consolidated Banking Act.

SEGMENT **REPORTING**

INTRODUCTION

In accordance with IFRS 8, segment reporting was prepared as a breakdown of revenues by region, intended as the location in which services are provided.
Following the acquisition of Altamira, which was completed at the end of June 2019, the southern European business area was broken down by geographical area.

(€/000)

FIRST QUARTER 2020	Italy	Greece & Cyprus	Spain & Portugal	Infrasector	Group
Revenue from contracts with customers	34,078	9,028	31,523	-	74,629
Other revenue	12,916	67	5,858	(9,064)	9,777
Total revenue	**46,994**	**9,095**	**37,381**	**-**	**84,406**
Costs for services rendered	(2,248)	(562)	(7,456)	-	(10,266)
Personnel expenses	(22,204)	(4,573)	(15,764)	52	(42,489)
Administrative expenses	(16,098)	(1,932)	(7,686)	9,012	(16,704)
Other operating (expense)/income	12	(29)	-	(1)	(18)
Depreciation, amortisation and impairment	(2,805)	(1,473)	(10,733)	-	(15,011)
Provisions for risks and charges	844	-	-	-	844
Total costs	**(42,499)**	**(8,569)**	**(41,639)**	**-**	**(83,644)**
Operating income	**4,495**	**526**	**(4,258)**	**-**	**762**
Financial (expense)/income	(1,747)	(288)	(1,016)	-	(3,051)
Profit (loss) before tax	**2,748**	**238**	**(5,274)**	**-**	**(2,289)**
Income tax expense	(1,034)	93	(1,072)	-	(2,013)
Net Profit (loss) from continuing operations	**1,714**	**331**	**(6,346)**	**-**	**(4,302)**
Net profit (loss) for the period	**1,714**	**331**	**(6,346)**	**-**	**(4,302)**
TOTAL ASSETS	**325,008**	**94,467**	**394,626**	**-**	**814,101**
TOTAL LIABILITIES	**516,161**	**15,473**	**57,483**	**-**	**589,117**

BUSINESS COMBINATIONS

Business combinations completed **in the period**

This section provides detailed information on business combinations involving companies or business units undertaken with counterparties outside the Group, which are accounted for using the purchase method as provided for under IFRS 3 "Business combinations".

Business combinations involving companies or business units already controlled directly or indirectly by doValue as part of the Group's internal reorganisations are also reported here. These transactions, which do not have economic substance, are accounted for in the financial statements of the seller and the buyer on a predecessor value basis.

EXTERNAL BUSINESS COMBINATIONS

During the first quarter of 2020 the doValue Group did not carry out any external business combinations.

INTERNAL BUSINESS COMBINATIONS

During the first quarter of 2020 the doValue Group did not carry out any internal business combinations.

Business combinations completed **after the end of period**

The doValue Group did not carry out any business combinations after March 31, 2020.

Retrospective **adjustments**

In the first quarter of 2020 no retrospective adjustments were made to business combinations carried out in previous years.

RELATED-PARTY TRANSACTIONS

INTRODUCTION

The provisions of IAS 24 apply for the purposes of disclosures on related parties. That standard defines the concept of related party and identifies the relationship between related parties and the entity preparing the financial statements.

Pursuant to IAS 24, significant related parties for the doValue Group include:

- the Parent Company;
- associates, joint ventures and their subsidiaries;
- key management personnel;
- close family members of key management personnel and companies controlled, including jointly, by key management personnel or their close family.

In compliance with Consob Resolution no. 17221 of March 12, 2010, doValue has adopted the Policy for the management of transactions with related parties and transactions conducted in situations of conflict of interest of the doValue Group", published on the corporate website of doValue (www.doValue.it), which defines the principles and rules for managing the risk associated with situations of possible conflict of interest engendered by the proximity of certain parties to decision-making centres.
To manage transactions with related parties, doValue has established a Risks and Related Party Transactions Committee – composed of a minimum of 3 (three) and a maximum of 5 (five) members chosen from the non-executive members of the Board of Directors, and with the majority meeting independence requirements - charged with the task of issuing reasoned opinions to the Board of Directors regarding transactions with related parties in the cases governed by the procedure.

RELATED-PARTY TRANSACTIONS

During the period, low-value transactions with related parties of an ordinary nature and lesser importance were carried out, mainly attributable to contracts for the provision of services.

All transactions with related parties carried out in the first quarter of 2020 were concluded in the interest of the Group and on market or standard conditions.

The following table shows the assets, liabilities and guarantees and commitments outstanding at March 31, 2020, and the items of the income statement, with separate indication for the various types of related parties pursuant to IAS 24.

(€/000)

Financial Transactions	Parent Company	Unconsolidated subsidiaries	Associates	Joint ventures	Key management personnel	Other related parties	Total
Trade receivables	-	-	-	-	-	1,371	1,371
Property, plant and equipment	-	-	-	-	-	1,178	1,178
TOTAL ASSETS	**-**	**-**	**-**	**-**	**-**	**2,549**	**2,549**
Trade payables	-	-	-	-	-	64	64
Provisions for risks and charges	-	-	-	-	-	97	97
Other current financial liabilities	-	-	-	-	-	1,137	1,137
TOTAL LIABILITIES	**-**	**-**	**-**	**-**	**-**	**1,298**	**1,298**

(€/000)

Costs/Revenues	Parent Company	Unconsolidated Subsidiaries	Associates	Joint Ventures	Key management personnel	Other related parties	Total
Revenue from contracts with customers	-	-	-	-	-	23	23
Other revenue	-	-	-	-	-	164	164
Costs for services rendered	-	-	-	-	-	1	1
Administrative expenses	-	-	-	-	-	95	95
Financial (Expense)/Income	-	-	-	-	-	8	8
Depreciation, amortisation and impairment	-	-	-	-	-	393	393
TOTAL	**-**	**-**	**-**	**-**	**-**	**684**	**684**

With 25.05% of the shares, the **ultimate parent company** is Avio S.à r.l., a company incorporated under Luxembourg law that is affiliated with the Fortress Group, which in turn was acquired by Softbank Group Corporation in December 2017.
Avio S.à r.l. does not exercise any management or coordination powers over doValue pursuant to Art. 2497 et seq. of the Civil Code.

The main relations with **other related parties** relate to:

- Torre SGR S.p.A.: the company rents the Group certain properties for one of the main offices in Rome. This contract is accounted for in accordance with IFRS 16, with amortisation/depreciation of €393 thousand and financial expense of €8 thousand). In the first quarter of 2020, administrative costs connected with those buildings amounted to €93 thousand. The corresponding balance sheet items are recognised under property plant and equipment (€1.2 million), other financial liabilities (€1.1 million), provisions for risks and charges (€97 thousand) and trade payables (€53 thousand). The Group also performs IT services for Torre SGR, which are recognised under other revenues in the amount of €23 thousand and has trade receivables of €114 thousand;
- Fortress Investment Fund III LP: Altamira Proteus, based in Portugal, carried out due diligence services for the Company in 2019, generating a total of €138 thousand in trade receivables at March 31, 2020;
- FIG LLC: doValue carries out due diligence services for the company and during the quarter accrued revenues of €52 thousand and trade receivables of €669 thousand at

the end of the period;

- SPV Ieffe: the Group provides debt collection and information services for total revenue of €10 thousand and trade receivables of €52 thousand;
- Reoco: doValue manages property assets for certain real estate owned companies (reocos), with revenue from contracts with customers and other revenues during the year of €50 thousand and trade receivables of €237 thousand.

doValu

CERTIFICATIONS AND REPORTS ON THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2020

Certifications and reports on the condensed consolidated financial statements at March 31, 2020

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, May 12, 2020

Elena Gottardo

Financial Reporting Officer

doValue S.p.A.

Review report on the interim condensed consolidated financial statements at March 31, 2020

(Translation from the original Italian text)

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Review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Board of Directors of
doValue S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated cash flow statement and the related explanatory notes of doValue S.p.A. and its subsidiaries (the "doValue Group") as of and for the three month period ended March 31, 2020. The Directors of doValue S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by the International Standard on Review Engagements (ISRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of the doValue Group as of and for the three month period ended March 31, 2020 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

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Other matters

The consolidated financial statements for the prior year and the interim condensed consolidated financial statements for the corresponding period in the preceding year are presented for comparative purposes. The explanatory notes report that the Directors have restated the comparative data for the corresponding period in the preceding year, which were prepared in accordance with the schemes applicable to the banking entities. The criteria applied for the restatement of such interim condensed consolidated financial statements and the related explanatory notes have been examined by us for the purposes of this review.

Verona, May 25, 2020

EY S.p.A.
Signed by: Marco Bozzola, auditor

This report has been translated into the English language solely for the convenience of international readers