doValue

Press release

THE BOARD OF DIRECTORS APPROVES CONSOLIDATED HALF-YEAR REPORT AS AT 30 JUNE 2019

Consolidated financial highlights as at June 30, 2019 compared with June 30, 2018 restated:[1]

- **Gross revenues: €112.2 million, +7%** compared with €105.3 million;
- Net revenues: €102.6 million, +9% compared with €94.4 million;
- Non-recurring expenses recorded in the period, linked to the launch of the new businesses, Greece and UTP in particular, the corporate reorganization and the acquisition of Altamira Asset Management;
- **EBITDA excluding non-recurring items**[2] amounted to **€39.1 million, +11%** compared with €35.2 million; EBITDA amounted to €28.9 million, -18% compared with €35.2 million;
- EBITDA margin excluding non-recurring items amounted to 35%, up 2 points compared with 33% at June 30, 2018; the EBITDA margin amounted to 26% compared with 33%;
- **Net profit excluding non-recurring items,** to which doValue dividend policy is applied, amounted to **€26.6 million, +27%** compared with €20.9 million at June 30, 2018; net profit amounted to €4.0 million, -81% compared with €20.9 million;
- **Net financial position: a negative €319.7 million** including the impact of the acquisition of Altamira Asset Management, completed in June 2019; pro-forma financial leverage (ratio of net financial position to EBITDA) equal to 1.8x; net financial position a positive (cash) €67.9 million at December 31, 2018;
- In the first half of 2019, **new servicing agreements** reached amounting to about €1.5 billion in Italy, €0.1 billion in Greece and €2 billion in Spain and Portugal. Coherently with the Group strategy, doValue is moreover pursuing a servicing opportunity for an amount (gross book value) of more than €4 billion in Cyprus;
- **New medium-term Business Plan** to be presented Friday, November 8, 2019.

Portfolio under management

- **The gross book value of assets under management (GBV) amounted to €82.1 billion** (€82.2 billion at the end of 2018 and €86.8 billion in the first half of 2018), of which €80.6 billion in Italy and €1.5 billion in Greece. Assets under management grew owning to new servicing contract for a total of €2.3 billion in Italy, as well as €0.7 billion under existing contracts providing for new flows of loans. The figure does not include new servicing contracts awarded during 2019.
- **Collections in Italy amounted to €886 million,** unchanged compared with €882 million in the first half of 2018 despite a decline in the volume of assets under management. Developments in collections in

[1] Restated 2018 results: in order to ensure the comparability of 2019 figures, the effects of the application of the new IFRS 16 Leases as from January 1, 2019 have been included.
[2] Excluding non-recurring items connected with the launch of our new businesses, notably our operations in Greece and in the UTP segment, the corporate reorganisation and the acquisition of Altamira Asset Management.

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Registered office in Verona, Piazzetta Monte 1 – Registered in the Verona CCIAA/NREA Register of Companies: VR/19260 - Tax Ref. No. 00390840239 and VAT Reg. No. 02659940239 – Share Capital € 41.280.000 fully paid up.

the period were in line with expectations of increasing collections in Italy in 2019, as compared with the previous year, to approximately €2.1 billion, thanks to an acceleration in the second half of the year. The performance of collections at June 30 is connected with the timing of onboarding in 2019 of new contracts and the transfer of portfolios by customers. The efficiency of collections, expressed as the ratio of collections to end-period GBV, rose to 2.5% in the first half of 2019 compared with 2.4% in the year-earlier period, excluding new contracts still in the ramp-up phase (stock collection rate). Including new contracts, the ratio of collections to end-period GBV rose to 2.4% from 2.1%.

Rome, August 2, 2019 – The Board of Directors of doValue S.p.A. (the "**Company**" or "**doValue**") today approved the Consolidated Half-Year Report at June 30, 2019.

In the first half of 2019, doValue posted gross revenues amounting to €112.2 million, up 7% compared with €105.3 million the first half of 2018.

Servicing revenues, the core business of doValue, amounted to €98.1 million, compared with €94.6 million (+4%) in the first half of 2018 and represent 88% of total revenues. Growth was driven by developments in performance fees, an increase in portfolio transfer indemnities from customers and the stability of average fees. Consistent with developments in assets under management, revenues from base fees declined compared with the first half of 2018.

Revenues from co-investment and **revenues from ancillary products and minor activities** totalled €14.0 million, up 32% compared with the year-earlier period, reaching 12% of revenues compared with 10% for the first half of 2018. Contributing to the performance was the increase in revenues from judicial management, data remediation, business information and master servicing, as well as the reimbursement of costs connected with managing the contract with the four systemic banks in Greece, which amounted to about €2.8 million.

Net revenues amounted to €102.6 million at June 30, 2019, up 9% compared with the first half of 2018 (€94.4 million). The more rapid growth in net revenues compared with gross revenues reflects the reduction in outsourcing fees, which declined from €10.9 million to €9.6 million in reflection of the decrease in the use of external credit management services, in line with the guidelines in the 2018-2020 Business Plan.

Operating expenses amounted to €73.7 million (€59.2 million in the first half of 2018). The figure includes non-recurring costs of about €10.2 million recognised under SG&A. The non-recurring costs are primarily connected with the acquisition of Altamira Asset Management and the corporate reorganisation, which as announced saw doValue take the form of a servicing company governed by Article 115 of the Consolidated Public Security Act (TULPS), thereby ceasing to be a banking group.

Among other operating expenses, the slight increase in IT spending (€6.6 million in the first half of 2019 compared with €6.3 million in the same period of 2018) is attributable to the development of software applications for the Group, while the growth in personnel expenses (€48.7 million in the first half of 2019 compared with €45.1 million) essentially reflects the increase in staff involved in the development of operations in Greece and UTP servicing in Italy. Initiatives are under way to reduce the cost of personnel, in line with the objectives set out in the 2018-2020 Business Plan. At June 30, 2019, primarily thanks to early retirement incentives, about 85% of the overall cost reduction target had been achieved, the effects of which will already be apparent in the second half of 2019. These initiatives are expected to be completed by the end of 2019.

EBITDA excluding non-recurring items amounted to €39.1 million at June 30, 2019, up about €3.8 million (+11%) compared with the same period of 2018 (€35.2 million). The latter figure has been restated following the introduction of IFRS 16 Leases as from January 1, 2019. As a percentage of revenues, EBITDA excluding

non-recurring items improved by 2 points from 33% for the first half of 2018 to 35% at June 30, 2019. Including the non-recurring costs incurred in the period (noted above), EBITDA would have amounted to €28.9 million (€35.2 million at June 30, 2018).

Net profit (losses) from equity investments made no contribution to performance for the period, unlike the year-earlier period when the item reflected the measurement at equity of the investment in BCC Gestione Crediti S.p.A., which was sold in the second half of 2018.

Net profit excluding non-recurring items at the end of June 2019 amounted to €26.6 million, up 27% compared with €20.9 million at June 30, 2018, reflecting both the growth in EBITDA and a lower value in tax charges. Net profit at the end of June 2019 amounted to €4.0 million (€20.9 million at June 30, 2018).

Net working capital amounted to €158.5 million, reflecting the expansion of the scope of consolidation with the inclusion of Altamira Asset Management.
Excluding Altamira, net working capital would amount to €80.1 million, an increase of 5% compared with June 30, 2018 despite the growth in net revenues of 9%.
In line with developments in 2018, working capital is expected to continue to perform well, consistent with the increase in Investor customers in the portfolio, which have shorter payment times.

The **net financial position** amounted to a negative €319.7 million, compared with net cash position of €67.9 million at the end of 2018 and €29.7 million at the end of June 2019. The increase reflects the outlay for the acquisition of Altamira Asset Management, which closed in June 2019. In the early months of 2019, doValue also paid dividends of €36.3 million.
Excluding non-recurring items, operational cash generation in the first six months of 2019 was positive, producing a free cash flow of €20.9 million connected primarily with Group EBITDA and the limited use of cash by investment and net working capital.

Deferred tax assets amounted to €76.3 million at June 30, 2019, down slightly on the end of 2018 (€81.4 million), mainly due to the reversal of prior-year tax losses.

Portfolio under management

At June 30, 2019, the **Gross Book Value of assets under management (GBV) amounted to €82.1 billion** (€82.2 billion at the end of 2018 and €86.8 billion in the first half of 2018), of which €80.6 billion in Italy and €1.5 billion in Greece. Assets under management reflected the onboarding of the portfolios received from the Iccrea Banking Group in the amount of about €2 billion and the Banca Carige Group in the amount of about €0.3 billion. Other factors contributing to the total were €0.7 billion added under contracts with existing customers providing for new flows of receivables and the effect of collections, cancellations and transfers of portfolios. The assets under management amount as at June 30, 2019 does not include neither the mandates awarded in the Italian market in July 2019, for about €1.5 billion, nor the AuM managed by Altamira Asset Management.

In the first half of 2019, collections on loans under management in Italy **amounted to €886 million**, virtually unchanged compared with the €883 million posted in the first half of 2018 (+0.5%). The amount reflects expectations for a greater concentration in the second half of the year of collections for 2019 in Italy, which are forecast to rise to up to approximately €2.1 billion.

The collection rate at the end of June 2019 (the ratio of collections in the last 12 months to end-period GBV), excluding new management contracts, was 2.5% (2.4% at June 30, 2018 and 2.5% at the end of December 2018). Including new servicing contracts, the indicator would be 2.4%, an increase from the 2.1% for the first half of 2018 and unchanged compared with the 2.4% registered at the end of 2018. The increasing efficiency of collections confirms the forecasts in the 2018-2020 Business Plan, including the target of raising the collection rate to more than 2.6% in 2020.

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SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

New servicing contracts

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

The first contract, with Iccrea Banca (Parent Company of the Iccrea Mutual Banking Group), provides for doValue to manage, in the role of Special and Master Servicer, a portfolio of non-performing loans with a value of about €1.2 billion (gross book value). The second, with an alternative asset manager, provides for doValue to manage a portfolio of non-performing loans with a value of about €0.3 billion.

These agreements, which are expected to close by the end of 2019, are consistent with the objectives of the 2018-2020 Business Plan.

OUTLOOK FOR OPERATIONS

Performance for the first half of 2019 confirms the objectives of the 2018-2020 Business Plan, presented in June 2018, which provides for the strengthening of doValue's leadership in the European credit servicing market.

In particular, excluding the effects of the acquisition of Altamira Asset Management, revenues are forecast to grow between 8% and 9% per year on average between 2017 and 2020 (CAGR), with EBITDA increasing by over 15% a year on average in the same period (CAGR) and earnings per share rising even faster than EBITDA, with a dividend payout ratio of at least 65% of consolidated profit. In 2019, it is also expected that collections in Italy will rise to about €2.1 billion.

It is expected that the acquisition of Altamira Asset Management will already have a positive impact on earnings per share and dividend per share in 2019, while in 2020 it will have a positive accretion impact on earnings per share of at least 20% prior to the positive impact of synergies.

In consideration of the importance of the acquisition of Altamira Asset Management (press release of December 31, 2018), the Group plans to update and announce the Business Plan targets on November 8, 2019.

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Webcast conference call

The results as at June 30, 2018 will be presented on Friday, **August 2, at 16:00** in a conference call in audio-webcast format held by the Group's top management.

The conference call can be followed via webcast by connecting to the bank's website at www.doValue.it or the following URL: http://services.choruscall.eu/links/dovalue190802.html.

As an alternative to the webcast, it will be possible to participate in the conference call by calling one of the following numbers:

ITALY: +39 02 805 88 11
UK: +44 121 281 8003
USA: +1 718 705 8794

The presentation by top management will be available as from the start of the conference call on the www.doValue.it site in the "Investor Relations/Financial Reports and Presentations" section.

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Certification of the financial reporting officer
Elena Gottardo, in her capacity as the officer responsible for preparing corporate accounting documents, certifies – pursuant to Article 154-bis, paragraph 2, of Legislative Decree 58/1998 (the Consolidated Financial Intermediation Act) – that the accounting information in this press release is consistent with the data in the accounting documentation, books and other accounting records.
The Consolidated Half-Year Report as at June 30, 2019 will be made available to the public at the Company's headquarters and at Borsa Italiana, as well as on the website www.doValue.it in the Investor Relations/Financial Reports and Presentations" section by the statutory deadlines.

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

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doValue S.p.A.
doValue, formerly doBank S.p.A., is the leading operator in Southern Europe in credit management and real estate services for banks and investors.
Present in Italy, Spain, Portugal, Greece and Cyprus, doValue has over 18 years of industry experience and manages assets of about €140 billion (gross book value) with over 2,200 employees and an integrated range of services: special servicing, master servicing, real estate management and other credit management services.
doValue is listed on the Electronic Stock Market (*Mercato Telematico Azionario*) operated by Borsa Italiana S.p.A. and, including the acquisition of Altamira Asset Management, recorded gross revenues in 2018 of about €490 million with an EBITDA margin of 37%.

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RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(€/000)

Condensed consolidated income statement	Firs Half 2019	Firs Half 2018 RESTATED [1]	Change Amount	Change %
Servicing revenues	98,149	94,641	3,508	4%
Co-investment revenues	327	475	*(148)*	*(31)%*
Ancillary and other revenues	13,679	10,158	*3,521*	*35%*
Gross Revenues	**112,155**	**105,274**	**6,881**	***7%***
NPL Outsourcing fees	(9,564)	(10,879)	*1,315*	*(12)%*
Net revenues	**102,591**	**94,395**	**8,196**	***9%***
Staff expenses [3]	(48,727)	(45,070)	*(3,657)*	*8%*
Administrative expenses	(25,013)	(14,103)	(10,910)	*77%*
o/w IT	*(6,597)*	*(6,324)*	*(273)*	*4%*
o/w Real Estate	*(2,341)*	*(3,114)*	*773*	*(25)%*
o/w SG&A	*(16,075)*	*(4,665)*	*(11,410)*	*n.s.*
Operating expenses	**(73,740)**	**(59,173)**	**(14,567)**	***25%***
EBITDA	**28,851**	**35,222**	**(6,371)**	**(18)%**
EBITDA Margin	*26%*	*33%*	*(8%)*	*(23)%*
Non-recurring items (NRI) included in EBITDA [2]	*(10,208)*	-	*(10,208)*	*n.s.*
EBITDA excluding non-recurring items (NRI)	***39,059***	***35,222***	***3,837***	***11%***
EBITDA Margin excluding non-recurring items (NRI)	*35%*	*33%*	*1%*	*4%*
Impairment/Write-backs on property, plant, equipment and intangible assets	(3,331)	(2,430)	*(901)*	*37%*
Net Provisions for risks and charges	(3,002)	(81)	*(2,921)*	*n.s.*
Net Write-downs of loans	405	388	*17*	*4%*
Net income (losses) from investments	-	340	*(340)*	*(100)%*
EBIT	**22,923**	**33,439**	**(10,516)**	**(31)%**
Net income (loss) on financial assets and liabilities measured at fair value	669	630	*39*	*6%*
Net financial interest and commissions	(1,311)	(193)	*(1,118)*	*n.s.*
EBT	**22,281**	**33,876**	**(11,634)**	**(34)%**
Non-recurring items included in EBT [3]	*(12,640)*	**-**		
EBT excluding non-recurring items	***34,921***	***33,876***		
Income tax for the period	(18,254)	(12,987)	*(5,267)*	*41%*
Profit (loss) from group of assets sold and held for sale net of tax	-	-	-	*n.s.*
Net Profit (Loss) attributable to the Group	**4,027**	**20,889**	**(16,901)**	**(81)%**
NRI included in Net Profit (Loss) attributable to the Group	*(22,584)*	-	***(22,584)***	*n.s.*
Net Profit (Loss) attributable to the Group excluding NRI	***26,611***	***20,889***	***5,722***	***27%***
Earnings per share (Euro)	**0.05**	**0.27**	**(0.22)**	**(81)%**
Earnings per share excluding non-recurring items (Euro)	***0.34***	***0.27***	**0.07**	***26%***

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

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

[3] Non-recurring items included in net provisions regard termination incentive plans that have therefore been reclassified here from personnel expenses

[4] Non-recurring items included in income taxes mainly regard the cancellation of deferred tax assets following the change in the rate as part of the debanking process

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RESTATEMENT OF THE CONSOLICATED INCOME STATEMENT AT JUNE 30, 2018, SPECIFYING THE IMPACT OF THE APPLICATION OF IFRS 16 LEASES

(€/000)

Condensed consolidated income statement	Firs Half 2018	IFRS 16 impact	Firs Half 2018 RESTATED
Servicing revenues	94,641	-	94,641
o/w Banks	*61,767*	-	*61,767*
o/w Investors	*32,874*	-	*32,874*
Co-investment revenues	475	-	475
Ancillary and other revenues	10,158	-	10,158
Gross Revenues	**105,274**	**-**	**105,274**
Outsourcing fees NPL	(10,879)	-	(10,879)
Net revenues	**94,395**	**-**	**94,395**
Staff expenses	(45,070)	-	(45,070)
Administrative expenses	(15,192)	1,089	(14,103)
o/w IT	*(6,324)*	-	*(6,324)*
o/w Real Estate	*(4,157)*	*1,043*	*(3,114)*
o/w SG&A	*(4,711)*	*46*	*(4,665)*
Operating expenses	**(60,262)**	**1,089**	**(59,173)**
EBITDA	**34,133**	**1,089**	**35,222**
EBITDA Margin	*32%*	*0%*	*33%*
Impairment/Write-backs on property, plant, equipment and intangible assets	(1,188)	(1,242)	(2,430)
Net Provisions for risks and charges	(80)	(1)	(81)
Net Write-downs of loans	388	-	388
Net income (losses) from investments	340	-	340
EBIT	**33,593**	**(154)**	**33,439**
Net income (loss) on financial assets and liabilities measured at fair value	630	-	630
Net financial interest and commissions	(94)	(99)	(193)
EBT	**34,129**	**(253)**	**33,876**
Income tax for the year	(13,084)	97	(12,987)
Profit (loss) from group of assets sold and held for sale net of tax	-	-	-
Net Profit (Loss) attributable to the Group	**21,045**	**(156)**	**20,889**

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CONSOLIDATED BALANCE SHEET

(€/000)

Condensed balance sheet	6/30/2019	12/31/2018	Change	
			Amount	%
Cash and liquid securities	86,067	74,443	11,624	16%
Financial assets	48,715	36,312	12,403	34%
Tangible assets	21,571	4,290	17,281	n.m.
Intangible assets	409,508	6,847	402,661	n.m.
Tax assets	79,943	87,355	(7,412)	(8)%
Trade receivables	199,650	99,224	100,426	101%
Assets on disposal	10	710	(700)	(99)%
Other assets	11,926	7,855	4,071	52%
Total assets	**857,390**	**317,036**	**540,354**	**n.m.**
Financial liabilities: due to banks	405,809	-	405,809	n.m.
Other financial liabilities	91,154	294	90,860	n.m.
Trade payables	41,138	21,848	19,290	88%
Tax Liabilities	70,804	11,090	59,714	n.m.
Employee Termination Benefits	9,949	9,577	372	4%
Provision for risks and charges	17,690	20,754	(3,064)	(15)%
Liabilities on disposal	-	6,532	(6,532)	(100)%
Other liabilities	25,814	14,152	11,662	82%
Total Liabilities	**662,358**	**84,247**	**578,111**	**n.s.**
Share capital	41,280	41,280	-	n.m.
Reserves	149,909	140,915	8,994	6%
Treasury shares	(184)	(246)	62	(25)%
Result for the period	4,027	50,840	(46,813)	(92)%
Total shareholders' equity	**195,032**	**232,789**	**(37,757)**	**(16)%**
Minorities	**-**	**-**	**-**	**n.m.**
Total liabilities and shareholders' equity	**857,390**	**317,036**	**540,354**	**n.m.**

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STATEMENT OF CASH FLOWS

(€/000)

Cash Flow	6/30/2019	6/30/2018
EBITDA	28,851	34,133
Capex	(1,271)	(1,638)
EBITDA-Capex	**27,580**	**32,495**
as % of EBITDA	96%	95%
Adjustment for accrual on share-based incentive system payments	2,440	2,763
Changes in NWC	(2,696)	1,704
Changes in other assets/liabilities	(6,475)	(2,995)
Operating Cash Flow	**20,849**	**33,967**
Tax paid (IRES/IRAP)	-	-
Free Cash Flow	**20,849**	**33,967**
(Investments)/divestments in financial assets	(11,240)	(11,966)
Equity (investments)/divestments	(360,998)	-
Dividend paid	(36,263)	(30,908)
Net Cash Flow of the period	**(387,652)**	**(8,907)**

Net financial position - Beginning of period	67,911	38,605
Net financial position - End of period	(319,742)	29,698
Change in Net Financial Position	**(387,653)**	**(8,907)**

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ALTERNATIVE PERFORMANCE INDICATORS

(€/000)

Key performance indicators	6/30/2019	12/31/2018	6/30/2018 RESTATED [1]
Gross Book Value Italy (Eop) - in millions of Euro -	80,622	82,179	86,819
Gross Book Value Greece (Eop) - in millions of Euro -	1,549	-	-
Collections for the period Italy - in millions of Euro -	886	1,961	882
Collections for the Last Twelve Months (LTM) Italy - in millions of Eur	1,963	1,961	1,830
LTM Collections/GBV - Italy (EoP)	2.4%	2.4%	2.1%
LTM Collections Stock/GBV Stock - Italy (EoP)	2.5%	2.5%	2.4%
Staff FTE/Total FTE	36%	37%	37%
LTM Collections/Servicing FTE	2,659	2,668	2,479
Cost/Income ratio	72%	61%	63%
EBITDA	28,851	81,293	35,222
Non-recurring items in EBITDA	(10,208)	(2,712)	-
EBITDA excluding non-recurring items	39,059	84,005	35,222
EBT	22,281	80,202	33,876
Non-recurring items in EBT	(12,640)	-	-
EBT excluding non-recurring items	34,921	80,202	33,876
EBITDA Margin	26%	35%	33%
EBITDA Margin excluding non-recurring items	35%	36%	33%
EBT Margin	20%	34%	32%
Earning per share (Euro)	0.05	0.65	27%
Earning per share excluding non-recurring items (Euro)	0.34	0.67	27%
EBITDA – Capex	27,580	75,885	34,783
Net Working Capital	158,512	77,376	76,561
Net Financial Position of cash/(debt)	(319,742)	67,911	29,698

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

PRO-FORMA INCOME STATEMENT FOR THE FIRST HALF OF 2019

The following schedule presents:

1) in the column "doValue – 1H consolidated income statement ", the figures for the first half of 2019 for the doValue Group;

2) in the column "Altamira – 1H consolidated income statement " the figures for the first half of 2019 from the sub-consolidated financial statements of the Altamira group at June 30, 2019 prepared in accordance with local accounting standards, i.e. Spanish GAAP and reclassified to take account of the reclassified income statement format adopted by the doValue Group;

3) in the column "Impact of renewed contractual arrangements with Santander and related tax impact", the financial impact of the renegotiation of the contracts in June 2018. Specifically, for these contracts the method of accounting for revenues differs between the sub-consolidated accounts of the Altamira group and the consolidated financial statements of the doValue Group;

4) the column "PPA adjustments and other minor adjustments and related tax impact" mainly includes the adjustments to intangible assets, the amortisation and impairment of the Altamira group (€ 73.8 million) deriving from the measurement at fair value of its assets and liabilities following the purchase price allocation process, as described in more detail in the section on business combinations. Note that the measurement at fair value of the Altamira assets and liabilities acquired by the doValue Group has not yet been finalised since, at the date of approval of this document, not all of the related information is available yet. In this regard, note that this approach complies with the provisions of paragraph 45 of IFRS 3 - Business Combinations, which governs the methods for accounting for business combinations. In particular, the accounting standard in question provides for a "measurement period" during which the company must make a preliminary initial accounting for the acquisition and complete the measurement at a later time but in any case within 12 months of the acquisition date. Therefore, within 12 months of the date of the closing of the acquisition, the value of the net assets acquired could change compared with the provisional allocation, with a corresponding reduction or increase in the value of the goodwill. Any change in the value of the net assets acquired and goodwill would consequently lead to the recalculation of the depreciation and amortisation recognised in the periods ended after the closing date. This column also reports minor adjustments including: (i) the adjustment for operating expenses incurred in 2019 for the completion of the acquisition by dovalue (€9.1 million); (ii) the adjustments connected with ensuring compliance with international accounting standards (IAS/IFRS) of the sub-consolidated financial statements of the Altamira group to take into account the effects of the GAAP analysis referred to in point g) of the introductory paragraph above (€4.9 million); and (iii) the elimination of certain non-recurring costs and income related to the acquisition;

5) in the column "doValue 1H consolidated income statement pro-forma", the pro-forma reclassified consolidated performance figures for the first half of 2019 following the acquisition.

doValue

(thousand of Euro)	doValue 1H 2019 consolidated income statement	Pro-forma adjustments			doValue 1H 2019 consolidated income statement - pro-forma
		Altamira 2018 consolidated income statement	Impact of renewed contractual arrangements with Santander and related tax impact	PPA adjustments and other minor adjustments and related tax impact	
	(1)	(2)	(3)	(4)	(5)
Servicing Revenue	98,149	133,725	(20,089)	-	211,785
o/w NPL Revenues	*98,149*	*70,782*	*(8,419)*	-	*160,512*
o/w REO Revenues	-	*62,943*	*(11,670)*	-	*51,273*
Co-investment, ancillary and other revenues	14,006	10,869	(653)	-	24,222
Gross Revenues	**112,155**	**144,594**	**(20,742)**	**-**	**236,007**
Outsourcing fees	(9,564)	(21,121)	-	-	(30,685)
Net revenues	**102,591**	**123,473**	**(20,742)**	**-**	**205,322**
Staff Costs	(48,727)	(44,635)	-	10,381	(82,981)
Operating Costs	(25,013)	(23,809)	-	10,518	(38,304)
Total Costs	**(73,740)**	**(68,444)**	**-**	**20,899**	**(121,285)**
EBITDA	**28,851**	**55,029**	**(20,742)**	**20,899**	**84,037**
Non-recurring items included in EBITDA	(10,208)	(11,292)	-	19,489	(2,011)
EBITDA excluding non-recurring items	**39,059**	**66,321**	**(20,742)**	**1,410**	**86,048**
Impairment/Write-backs on property, plant, equipm	(3,331)	(113,097)	-	76,622	(39,806)
Net Provisions for risks and charges	(3,002)	(1,676)	-	-	(4,678)
Net Write-downs of loans	405	-	-	-	405
Net income (losses) from investments	-	-	-	-	-
				-	
EBIT	**22,923**	**(59,744)**	**(20,742)**	**97,521**	**39,958**
Net income (loss) on financial assets and liabilities n	669	-	-	-	669
Net financial interest and commission	(1,311)	(14,251)	2,478	4,261	(8,823)
EBT	**22,281**	**(73,995)**	**(18,264)**	**101,782**	**31,804**
Non-recurring items included in EBT	(12,640)	(64,195)	-	61,608	(15,227)
EBT excluding non-recurring items	**34,921**	**(9,800)**	**(18,264)**	**40,174**	**47,031**
Income tax for the period	(18,254)	(1,032)	4,566	(10,406)	(25,126)
Profit (loss) from group of assets sold and held for s	-	-	-	-	-
Net Profit (Loss) for the period	**4,027**	**(75,027)**	**(13,698)**	**91,376**	**6,678**
Non-recurring items included in Net Profit (L	(22,584)	(60,953)	-	68,121	(15,416)
Net Profit (Loss) for the period excluding no	**26,611**	**(14,074)**	**(13,698)**	**23,255**	**22,094**
Attributable to the parent company	4,027	(63,773)	(11,643)	81,076	9,687
Attributable to the minorities	-	(11,254)	(2,055)	10,300	(3,009)

PRO-FORMA INCOME STATEMENT FOR FULL YEAR 2018

The following schedule presents:

1) in the column "doValue – 2018 consolidated income statement", the figures for 2018 for the doValue Group;

2) in the column "Altamira – 2018 consolidated income statement" the figures for 2018 from the sub-consolidated financial statements of the Altamira group at December 31, 2018 prepared in accordance with local accounting standards, i.e. Spanish GAAP and reclassified to take account of the reclassified income statement format adopted by the doValue Group;

3) in the column "Impact of renewed contractual arrangements with Santander and related tax impact", the financial impact of the renegotiation of the contracts in June 2018. Specifically, for these contracts the method of accounting for revenues differs between the sub-consolidated accounts of the Altamira group and the consolidated financial statements of the doValue Group;

4) the column "PPA adjustments and other minor adjustments and related tax impact" mainly includes the adjustments to the amortisation of the intangible assets of the Altamira group (€39.1 million) deriving from the measurement at fair value of its assets and liabilities following the purchase price allocation process. This column also reports minor adjustments including: (i) the adjustments connected with ensuring compliance with international accounting standards (IAS/IFRS) of the sub-consolidated financial statements of the Altamira group to take into account the effects of the GAAP analysis referred to in point g) of the introductory paragraph above (€11.6 million); and (ii) the reversal of certain non-recurring costs and income related to the acquisition;

5) in the column "doValue 2018 consolidated income statement pro-forma", the pro-forma reclassified consolidated performance figures for the first half of 2019 following the acquisition.

doValue

(thousand of Euro)	doValue 2018 consolidated income statement	Pro-forma adjustments			doValue 2018 consolidated income statement - pro-forma
		Altamira 2018 consolidated income statement	Impact of renewed contractual arrangements with Santander and related tax impact	PPA adjustments and other minor adjustments and related tax impact	
	(1)	(2)	(3)	(4)	(5)
Servicing Revenue	205,539	261,807	(36,600)	-	430,746
o/w NPL Revenues	*205,539*	*150,616*	*(20,330)*	-	*335,825*
o/w REO Revenues	-	*111,191*	*(16,271)*	-	*94,920*
Co-investment, ancillary and other revenues	27,964	156,804	(122,437)	-	62,331
Gross Revenues	**233,503**	**418,611**	**(159,037)**	**-**	**493,077**
Outsourcing fees	(23,910)	(93,652)	50,000	-	(67,562)
Net revenues	**209,593**	**324,959**	**(109,037)**	**-**	**425,515**
Staff Costs	(94,054)	(76,143)	-	2,490	(167,707)
Operating Costs	(34,246)	(44,025)	-	-	(78,271)
Total Costs	**(128,300)**	**(120,168)**	**-**	**2,490**	**(245,978)**
EBITDA	**81,293**	**204,791**	**(109,037)**	**2,490**	**179,537**
Non-recurring items included in EBITDA	(2,712)	67,153	(70,000)	2,490	(3,069)
EBITDA excluding non-recurring items	**84,005**	**137,638**	**(39,037)**	**-**	**182,605**
Impairment/Write-backs on property, plant, equipment	(2,750)	(129,608)	-	50,767	(81,591)
Net Provisions for risks and charges	(318)	(198)	-	-	(516)
Net Write-downs of loans	862	-	-	-	862
Net income (losses) from investments	917	12	-	-	929
				-	
EBIT	**80,004**	**74,997**	**(109,037)**	**53,257**	**99,221**
Net income (loss) on financial assets and liabilities measured at fair value	417	-	-	-	417
Net financial interest and commission	(219)	(26,494)	2,824	4,733	(19,156)
EBT	**80,202**	**48,503**	**(106,213)**	**57,990**	**80,482**
Non-recurring items included in EBT	(2,712)	67,153	(70,000)	2,490	(3,069)
EBT excluding non-recurring items	**82,914**	**(18,650)**	**(36,213)**	**55,500**	**83,550**
Income tax for the period	(29,362)	(9,858)	26,553	(14,586)	(27,253)
Profit (loss) from group of assets sold and held for sale	-	-	-	-	-
Net Profit (Loss) for the period	**50,840**	**38,645**	**(79,660)**	**43,404**	**53,229**
Non-recurring items included in Net Profit (Loss) for the period	(1,784)	50,365	(52,500)	(623)	**(4,541)**
Net Profit (Loss) for the period excluding non-recurring items	**52,624**	**(11,720)**	**(27,160)**	**44,026**	**57,770**
Attributable to the parent company	50,840	32,848	(67,711)	42,271	58,248
Attributable to the minorities	-	5,797	(11,949)	1,133	(5,019)