INTERIM REPORT

AS OF SEPTEMBER 30, 2019

SUMMARY

Interim report
As of and for the nine months ended September 30, 2019

1. Board of Directors and Auditors

Boards of Directors:

Chairman
Vincenzo Onorato

Vice Chairman and Chief Executive Officer
Achille Onorato

Vice Chairman and Executive Director of Sales
Alessandro Onorato

Directors
Beniamino Carnevale
Giuseppe Savarese
Eliana Marino
Serena Giovidelli

Board of Statutory Auditors:

Chairman
Raffaele D'Alessio

Statutory Auditor
Luigi Giancaspero
Flavia Rotondo
Simone Allodi*
Lorenzo Riposati*

*(*Substitute auditors)*

Independent Auditors:

EY S.p.A.

2. Corporate information

The interim report of Moby Group for the nine months ended September 30, 2019 was authorised for issue in accordance with resolutions of the Moby S.p.A. board of directors held on December 13, 2019.

Moby S.p.A. is a legal entity organised according to the Italian legislation and domiciled at Largo Augusto, 8, Milan (MI).

Moby S.p.A. is subject to management and coordination of Onorato Armatori S.r.l. in accordance with the article 2497 of the Civil Code.

The Moby Group operates in the passenger and freight maritime transportation markets between mainland Italy and major and minor islands: Sardinia, Corsica, Sicily, Tuscan Archipelago, Tremiti Islands and Malta. Moreover, it operates in the sector of harbour, open water and rescue tugboats, manages the Olbia port operation, manages ground activities to support ferries' operations in Livorno port and monitors and manages the freight and passenger activities related to the Catania port. Finally, the Group operates in the cruises business in the Baltic among the ports of St. Petersburg, Stockholm, Helsinki and Tallinn.

3. Accounting standards, basis for consolidation and defined term

This interim report, prepared in accordance with IAS 34 – Interim Financial Reporting – is based on the same accounting standards and measurement criteria adopted in preparing the consolidated financial statements as of December 31, 2018, to which reference is made, except for the adoption of new standards, amendments and interpretations effective from January 1, 2019. Please refer to Note 7.1 Changes in accounting standards, new accounting standards, changes in estimates and reclassifications for further detail.
In particular, the Group has adopted IFRS 16 "Leases" effective 1 January 2019 which resulted in changes to the accounting policies and adjustments to the amounts recognized in the financial statements.
Based on IFRS 16, the right-of-use assets which fall under the scope of the standard must be recognized as an asset and the related payable must be recognized as a lease liability.
For a better understanding of the nine months 2019 performances, the figures in the "Directors' report on operations" show the impact of the new standards allowing a comparison with the corresponding nine month period in 2018.

The currency used in the presentation of the interim report is the euro, which is the currency generally used by the Parent Company and most of its subsidiaries. The balances stated in the financial statements and the figures in the "Directors' report on operations" are expressed in thousands of euro, unless expressly indicated otherwise.

This interim report is not audited.

The Group's revenues, which mainly derive from the sale of tickets for the transport of passengers and vehicles, are recognised upon completion of the transport. Consequently, the Group does not recognise the benefit of ticket sales which, despite already having been made by the end of the interim period, refer to transport due to take place after that date. Consistently with this, costs are also stated according to the accruals principle and, as a result, expenses directly related to transport due to be completed after the end of the period are not included.

The consolidation perimeter of the Moby Group as of September 30, 2019 is summarised below:

Name	Location	Currency	Capital in units of currency	Percentage of control		DIRECT SHAREHOLDER
				Direct	Indirect	
Moby S.p.A.	Milan	Euro	36,091,677	-	-	Parent Company
Toscana Regionale Marittima S.p.A. -Toremar	Livorno	Euro	5,474,000	100%	-	-
Moby Lines Europe G.m.b.H. (MLE)	Wiesbaden (Germany)	Euro	25,000	100%	-	-
San Cataldo S.p.A.	Naples	Euro	103,200	100%	-	-
Andy S.r.l.	Milan	Euro	10,000	100%	-	-
Siciliana Salvataggi S.p.A. *	Palermo	Euro	2,027,880	70%	-	-
Sinergest Olbia S.p.A.	Olbia	Euro	780,000	51%	-	-
Moby USA Corp.	Miami (U.S.A.)	Dollar	70,000	100%	-	-
Moby Ferries S.A.S**	Bastia (France)	Euro	50,000	100%	-	-
Compagnia Italiana di Navigazione S.p.A. (CIN)	Naples	Euro	5,000,000	100%	-	-
Moby SPL Ltd (SPL)	Valletta (Malta)	Euro	1,200	51%	-	-
Enermar Trasporti S.r.l. *	La Maddalena (OT)	Euro	100,000	81.40%	-	-
Renzo Conti S.r.l. (RCO)	Livorno	Euro	10,400	60%	-	
Agemar S.p.A.	Livorno	Euro	5,350,000	0.34%	44.17%	Renzo Conti (73,62%)
Livorno Terminal Marittimo - Autostrade del mare – S.r.l. (LTM)	Livorno	Euro	2,582,285	-	40.88%	Agemar S.p.A. (75%) / Renzo Conti S.r.l. (12.5%)
Catania Port Service S.r.l. (CPS)	Catania	Euro	100,000	20%	60%	CIN 60%
Agence Maritime Bastiaise S.a.r.l. (AMB)	Bastia (France)	Euro	37,140	70%	-	
Livorno Terminals S.r.l.	Livorno	Euro	100,000	5%	34.7%	LTM (10%) Sinergest (60%)
Porto di Livorno 2000	Livorno	Euro	2,800,000	-	26.18%	Livorno Terminals S.r.l (66%)

** in liquidation at the time of the preparation of these interim report*
*** to be dissolved at the time of the preparation of these interim report*

The changes to the consolidation perimeter which occurred during 2019 are summarised below:

- in March, the Parent Company and its subsidiaries LTM and Sinergest set up the company Livorno Terminal S.r.l., in order to take part in the privatisation tender of 66% of the company Porto di Livorno 2000 S.r.l.;
- at the beginning of May, following the award of the tender, the company Porto di Livorno 2000 transferred to Livorno Terminal S.r.l., as a consequence of paying the agreed amount of Euro 10,741 thousand. Porto di Livorno 2000, with registered office in Livorno, is engaged in the management of Livorno port's terminal.

The exchange rates used for determining the equivalent values in Euro for subsidiaries' financial statements expressed in foreign currencies (foreign currency per 1 Euro) are shown in the table below:

	Average exchange rate of nine months 2019	**September 30, 2019 exchange rate**
US Dollar	1.0889	1.1236

The interim report contains non-IFRS financial measures which are defined as follow:

EBITDA
EBITDA is the operating profit before amortisation, depreciation, provisions and write-downs. Thus, EBITDA is a measure used by Management to monitor and evaluate the Group's operating performance. EBITDA is not identified as an accounting measure under the scope of IFRS, and therefore should not be considered as an alternative measure for the evaluation of the Group's Operating Profit. Since the composition of EBITDA is not regulated by reference to accounting principles, the determination criterion applied by the Group may not be standardised with other companies and therefore is not comparable.

Recurring EBITDA
Recurring EBITDA is the operating profit before amortisation, depreciation, provisions and write-downs from which operating income and expenses are deducted and which, although inherent to the activity, has a non-recurring nature and has significantly influenced the results. Thus, Recurring EBITDA is a measure used by Group Management to monitor and evaluate the Group's operating performance. Recurring EBITDA is not identified as an accounting measure under the scope of IFRS and therefore should not be considered as an alternative measure for the evaluation of the Group's Operating Profit. Since the composition of Recurring EBITDA is not regulated by reference to accounting principles, the determination criterion applied by the Group may not be standardised with other companies and therefore is not comparable.
In consideration of the increase and significance of the Group's acquisition and sale of vessels, in line with the fleet management strategies, the Board of Directors of the Parent Company presents, in the following 'Directors' Report on Operations, the income and expenses deriving from the aforementioned activities as 'Recurring'.

Net operating working capital
Net operating working capital is calculated as the difference between current assets and current liabilities, excluding other current assets and liabilities and excluding current financial assets and liabilities. Net operating working capital is not identified as an accounting measure under the scope of IFRS. The determination criterion applied by the Group may not be standardised with other groups and, therefore, the balance obtained by the Group may not be comparable.

Net working capital
Net working capital is calculated by adding the various receivables and payables to the net operating working capital, plus the other current assets and liabilities, including derivative financial instruments managed in hedge accounting relating to current assets and liabilities (including, by way of example, hedging derivatives for exchange rates for trade payables and for fuel). Net working capital is not identified as an accounting measure under the scope of IFRS. The determination criterion applied by the Group may not be standardised with other groups and, therefore, the balance obtained by the Group may not be comparable.

Net invested capital
Net invested capital is calculated as net working capital and fixed assets and other long-term assets net of long-term liabilities. Net invested capital is not identified as an accounting measure under the scope of IFRS.

The determination criterion applied by the Group may not be standardised with other groups and, therefore, the balance obtained by the Group may not be comparable.

Net financial debt
Net financial debt is calculated as the algebraic sum of cash and cash equivalents, current financial assets including stocks available for sale, current and non-current long-term financial liabilities and the fair value of hedging financial instruments with reference to financial payables. This figure does not include liabilities related to assets held for sale. Net financial debt is not identified as an accounting measure under the scope of IFRS. The determination criterion applied by the Group may not be standardised with other groups and, therefore, the balance obtained by the Group may not be comparable.

4. Directors' report on operations

Summary performance and significant events of the period

Total 'Revenues' for the nine months ended September 30, 2019 amounted to Euro 501,306 thousand, an increase of Euro 22,463 thousand compared with Euro 478,843 thousand for the nine months ended September 30, 2018, mainly due to the increase in freight transport, chartering and port operations; the increase in the port operation segment is mostly due to the revenues generated by Porto di Livorno 2000, which contributed for five months to the nine months 2019 figures, for Euro 10,156 thousand.
Total 'Revenues' for the three months ended September 30, 2019 amounted to Euro 247,676 thousand (Euro 245,468 thousand for the three months ended September 30, 2018), an increase of Euro 2,208 thousand, driven by the increase in port operations, freight transport and chartering partially offset by a decrease in income from passenger and vehicle transport.

Excluding the impact of the IFRS 16 application, the 'recurring EBITDA' for the nine months ended September 30, 2019 is Euro 118,551 thousand (Euro 68,319 thousand for the nine months ended September 30, 2018), showing an increase of Euro 50,232 thousand, due to the higher 'Revenues' mentioned above and to the capital gains generated by the sale of 3 vessels, equal to Euro 24,382 thousand.
The increase of 'recurring EBITDA' for the three months ended September 30, 2019 of Euro 17,890 thousand (from Euro 77,102 thousand in the nine months ended September 30,2018 to Euro 94,992 thousand in the nine months ended September 30, 2019) is mainly due to the increase in 'Revenues' as mentioned above, the decrease in costs of 'Consumption of raw materials and services' and the capital gain generated by the sale of the vessel 'Krahulik' in July.

Excluding the impact of the IFRS 16 application, the nine months ended September 30, 2019 registered a gain of Euro 32,894 thousand (a loss of Euro 12,669 thousand in the nine months ended September 30, 2018).
The three months ended September 30, 2019 resulted in a gain for 60,891 thousand (Euro 47,539 thousand in the three months ended September 30,2018).

The significant events for the nine months ended September 30, 2019 were:

- in January the subsidiary CIN signed a MoA (Memorandum of Agreement) for the sale of the "Aurelia", sold during the month of February for Euro 6,000 thousand;
- in February, the Parent Company paid the third instalment of the Senior Facilities Agreement for Euro 50,000 thousand;
- following the MoA (Memorandum of Agreement) signed by the subsidiary CIN on December 27, 2018, in February the sale of the vessel "Puschmann" was completed, for Euro 12,950 thousand;
- in March, upon the delivery of the vessel "Maria Grazia Onorato", the Parent Company signed a Bareboat Charter for 8 years, paying Euro 2,429 thousand as a second advance hire. The unit was re-leased to the subsidiary CIN;
- in March, the Parent Company and its subsidiaries LTM and Sinergest set up the company Livorno Terminal S.r.l., in order to take part in the privatisation tender of 66% of the company Porto di Livorno 2000 S.r.l.;
- at the beginning of May, following the award of the tender, the company Porto di Livorno 2000 transferred to Livorno Terminal S.r.l., as a consequence of paying the agreed amount of Euro 10,741 thousand. Porto di Livorno 2000, which is engaged in the management of Livorno port's terminal, contributed for five months to the nine months ended September 30, 2019 figures;
- in May, the Parent Company signed a contract to build a new tugboat for Euro 7,230 thousand, paying an initial advance of Euro 361 thousand and a second advance in July of 1,085 thousand;
- in July, the tugboat called "Vincenzino O." was delivered to Moby, following the building contract signed on September 2018 and with a final price of Euro 7,290 thousand; during 2018, an initial advance of Euro 1,458 thousand was paid; the tugboat started its activity at Sarroch port in August.
- on July 16, 2019 the subsidiary CIN finalized the sale of the vessel "Barbara Krahulik" for Euro 12,650 thousand;
- in August 2018, the concession for the management of the 'Isola Bianca' terminal in the port of Olbia ended. The Group operated, until September 30, 2019, via a temporary concession initially until September 30, 2019, then extended to December 2019;

- in July, the second advance payment for Euro 10,077 thousand to lease two RoPax vessels being built was paid by the Parent Company to F.lli Onorato Armatori S.r.l.. The delivery of the two units is scheduled during 2021 and 2022;
- on 19 September, a group of holders of the Group's Senior Secured Notes commenced insolvency proceedings against the Parent Company before the Court of Milan (the "Bondholder Proceedings"). The court of Milan dismissed the Bondholder Proceedings on 9 October 2019;
- in September, the Group announced that it had entered into an agreement to sell the 'Moby Aki' and 'Moby Wonder' vessels (the "Vessel Sale Agreement"). The proceeds from the sale would have been applied in prepayment of an amount of the Group's outstanding financial liabilities. However, in October the security agent failed to release the mortgages over the vessels in accordance with the finance documentation. In turn, as Moby could not sell the vessels to DFDS A/S unencumbered, DFDS exercised its cancellation rights under the Vessel Sale Agreement;
- at the end of September, the shareholders' meeting of the subsidiary Moby Ferries approved the dissolution of the company, which is expected to be completed by the end of 2019; and
- on 24 October, CIN signed a memorandum of agreement for the sale of the 'Beniamino Carnevale'. The sale is due to complete in December 2019.

The numerical information and comments contained in this report aim to provide a summary of the Group's economic and financial situation, as well as the significant events during the period that influenced the net result.

Performance analysis for the interim period ended September 30, 2019

The main income data for the nine months ended September 30, 2019 compared to the nine months ended September 30, 2018 are shown in the table below:

(Euro thousands)	**Nine months ended September 30,**						
	2019 (without IFRS 16)	**Impact of IFRS 16**	**2019**	**% of Revenues**	**2018**	**% of Revenues**	**2019 vs 2018**
Revenues	**501,306**	**-**	**501,306**	**100.0%**	**478,843**	**100.0%**	**22,463**
Consumption of raw and materials and services	(309,523)	37,387	(272,136)	(54.3%)	(311,389)	(65.0%)	39,253
Personnel costs	(101,365)	-	(101,365)	(20.2%)	(100,821)	(21.1%)	(544)
Other operating income (expenses)	28,133	-	28,133	5.6%	1,686	0.4%	26,447
Provision and write-down of current assets	(335)	-	(335)	(0.1%)	-	0.0%	(335)
Amortization, depreciation and write-downs of fixed assets	(47,067)	(32,148)	(79,215)	(15.8%)	(47,242)	(9.9%)	(31,973)
Total recurring Costs	**(430,157)**	**5,239**	**(424,918)**	**(84.8%)**	**(457,766)**	**(95.6%)**	**32,848**
Recurring Operating Result	**71,149**	**5,239**	**76,388**	**15.2%**	**21,077**	**4.4%**	**55,311**
Financial income	211	-	211	0.0%	661	0.1%	(450)
Financial expenses	(28,392)	(6,970)	(35,362)	(7.1%)	(27,336)	(5.7%)	(8,026)
Recurring Pre-tax profit (loss)	**42,968**	**(1,731)**	**41,237**	**8.2%**	**(5,598)**	**(1.2%)**	**46,835**
Non-recurring pre-tax profit	(4,035)	-	(4,035)	(0.8%)	(2,206)	(0.5%)	(1,829)
Income tax	(6,039)	(253)	(6,292)	(1.3%)	(4,866)	(1.0%)	(1,426)
Net profit (loss)	**32,894**	**(1,984)**	**30,910**	**6.2%**	**(12,669)**	**(2.6%)**	**43,579**

(Euro thousands)	**Three months ended September 30,**						
	2019 (without IFRS 16)	**Impact of IFRS 16**	**2019**	**% of Revenues**	**2018**	**% of Revenues**	**2019 vs 2018**
Revenues	**247,676**	**-**	**247,676**	**100.0%**	**245,468**	**100.0%**	**2,208**
Consumption of raw and materials and services	(128,938)	13,189	(115,749)	(46.7%)	(132,210)	(53.9%)	16,461
Personnel costs	(35,918)	-	(35,918)	(14.5%)	(36,070)	(14.7%)	152
Other operating income (expenses)	12,172	-	12,172	4.9%	(86)	(0.0%)	12,258
Provision and write-down of current assets	(306)	-	(306)	(0.1%)	-	0.0%	(306)
Amortization, depreciation and write-downs of fixed assets [1]	(16,675)	(10,823)	(27,498)	(11.1%)	(16,685)	(6.8%)	(10,813)
Total recurring Costs	**(169,665)**	**2,366**	**(167,299)**	**(67.5%)**	**(185,051)**	**(75.4%)**	**17,752**
Recurring Operating Result	**78,011**	**2,366**	**80,377**	**32.5%**	**60,417**	**24.6%**	**19,960**
Financial income	96	-	96	0.0%	371	0.2%	(275)
Financial expenses	(9,370)	(2,648)	(12,018)	(4.9%)	(9,118)	(3.7%)	(2,900)
Recurring Pre-tax profit (loss)	**68,737**	**(282)**	**68,455**	**27.6%**	**51,670**	**21.0%**	**16,785**
Non-recurring pre-tax profit	(3,655)	-	(3,655)	(1.5%)	(1,706)	(0.7%)	(1,949)
Income tax	(4,191)	(73)	(4,264)	(1.7%)	(2,426)	(1.0%)	(1,838)
Net profit (loss)	**60,891**	**(355)**	**60,536**	**24.4%**	**47,539**	**19.4%**	**12,997**

The impact of the new IFRSs due to the adoption of IFRS 16 involves the accounting treatment of charters, cars and offices rentals over one-year term and not low-value.

'Non-recurring pre-tax profit' for the nine months ended September 30, 2019 includes:

- the gain of Euro 8 thousand realised by the subsidiary RCO following the sale of a vehicle;
- the loss of Euro 20 thousand suffered by the subsidiary CPS following the scrapping of 2 port vehicles;
- the gain of Euro 5 thousand realised by the subsidiary Toremar following the sale of certian lifeboats;
- consultancy costs totalling Euro 4,028 thousand, incurred following: *i)* the preparation of the reverse merger by the Parent Company and the subsidiary CIN in compliance with article 2501 *bis* of the Italian Civil Code, *ii)* the fine received from the AGCM, *iii)* the suspension of the payment of the Deferred Price for the amount owed due to Tirrenia di Navigazione S.p.A. in A.S and the proceeding with regards to the State aids, *iv)* costs incurred by Moby in order to explore, with some advisors, a possible transaction on the existing indebtedness.

[1] Figures presented has been calculated as a difference between the nine months ended September and the six months ended June. For the six months ended June 2019, the depreciation arising from the IFRS 16 application has been recalculated.

Below there is a restatement of the economic data in order to show the EBITDA operating profitability indicator:

(Euro thousand)	Nine months ended September 30,						
	2019 (without IFRS 16)	Impact of IFRS 16	2019	% of Revenues	2018	% of Revenues	2019 vs 2018
Recurring Operating Result	**71,149**	**5,239**	**76,388**	**15.2%**	**21,077**	**4.4%**	**55,311**
Non recurring item	(4,035)	-	(4,035)	(0.8%)	(1,706)	(0.4%)	(2,329)
Total Operating result	**67,114**	**5,239**	**72,353**	**14.4%**	**19,371**	**4.0%**	**52,982**
+ Provisions and write-downs of current assets	335	-	335	0.1%	-	0.0%	335
+Amortization, depreciation and write-downs of fixed assets	47,067	32,148	79,215	15.8%	47,242	9.9%	31,973
EBITDA	**114,516**	**37,387**	**151,903**	**30.3%**	**66,613**	**13.9%**	**85,290**
- Non recurring EBITDA	(4,035)		(4,035)	(0.8%)	(1,706)	(0.4%)	(2,329)
Recurring EBITDA	**118,551**	**37,387**	**155,938**	**31.1%**	**68,319**	**14.3%**	**87,619**

	Three months ended September 30,						
(Euro thousand)	2019 (without IFRS 16)	Impact of IFRS 16	2019	% of Revenues	2018	% of Revenues	2019 vs 2018
Recurring Operating Result	**78,011**	**2,366**	**80,377**	**32.5%**	**60,417**	**24.6%**	**19,960**
Non recurring item	(3,655)	-	(3,655)	**(1.5%)**	(1,706)	(0.7%)	(1,949)
Total Operating result	**74,356**	**2,366**	**76,722**	**31.0%**	**58,711**	**23.9%**	**18,011**
+ Provisions and write-downs of current assets	306	-	306	0.1%	-	0.0%	306
+Amortization, depreciation and write-downs of fixed assets	16,675	10,823	27,498	11.1%	16,685	6.8%	10,813
EBITDA	**91,337**	**13,189**	**104,526**	**42.2%**	**75,396**	**30.7%**	**29,130**
- Non recurring EBITDA	(3,655)		(3,655)	(1.5%)	(1,706)	(0.7%)	(1,949)
Recurring EBITDA	**94,992**	**13,189**	**108,181**	**43.7%**	**77,102**	**31.4%**	**31,079**

Excluding the impact of the IFRS 16 application, the EBITDA trend for the nine months is driven by the positive performance in 'freight transport', 'chartering' and 'port operations' revenues and the increase in 'Other operating income' due to the capital gain, obtained by the subsidiary CIN, for the sales of the m/v "Puschmann", the m/v "Aurelia" and the m/v "Krahulik".
Excluding the impact of the IFRS 16 application, the EBITDA trend for the three months is influenced by the increase of 'Revenue' due to the positive performance in 'port operations', 'freight transport' and 'chartering' revenues, the decrease in costs of 'Consumption of raw materials and services' and the capital gain generated by the sale of the vessel 'Barbara Krahulik' in July.

Revenues

The following table provides the Group revenues broken down by operating segments:

(Euro thousand)	Nine months ended September 30,					Three months ended September 30,				
	2019	% of Revenues	2018	% of Revenues	2019 vs 2018	2019	% of Revenues	2018	% of Revenues	2019 vs 2018
Ferries	463,849	92.5%	452,380	94.5%	11,469	228,039	92.1%	233,207	95.0%	(5,168)
Tugboats	15,015	3.0%	14,880	3.1%	135	5,483	2.2%	5,550	2.3%	(67)
Port operations	21,044	4.2%	10,305	2.2%	10,739	13,606	5.5%	6,260	2.6%	7,346
Other	1,398	0.3%	1,278	0.3%	120	548	0.2%	451	0.2%	97
Total Revenues	**501,306**	**100.0%**	**478,843**	**100.0%**	**22,463**	**247,676**	**100.0%**	**245,468**	**100.0%**	**2,208**

Ferries

The table below shows the breakdown of the ferries revenues by operating segments:

(Euro thousand)	Nine months ended September 30,					Three months ended September 30,				
	2019	% of Revenue	2018	% of Revenue	2019 vs 2018	2019	% of Revenue	2018	% of Revenue	2019 vs 2018
Sardinia	240,599	48.0%	250,389	52.3%	(9,790)	144,518	58.3%	156,183	63.6%	(11,664)
Tuscan Archipelago	43,880	8.8%	43,757	9.1%	124	24,270	9.8%	24,738	10.1%	(468)
Sicily	70,567	14.1%	56,793	11.9%	13,774	28,906	11.7%	22,795	9.3%	6,110
Corsica	22,288	4.4%	23,522	4.9%	(1,234)	15,809	6.4%	16,561	6.7%	(752)
Tremiti Islands	1,535	0.3%	1,452	0.3%	83	1,026	0.4%	958	0.4%	68
Baltic	14,010	2.8%	12,897	2.7%	1,113	6,784	2.7%	6,706	2.7%	78
Subsidies	60,414	12.1%	59,837	12.5%	577	4,278	1.7%	4,097	1.7%	181
Other (*)	10,556	2.1%	3,733	0.8%	6,822	2,447	1.0%	1,168	0.5%	1,279
Total Ferries Revenues	**463,849**	**92.5%**	**452,380**	**94.5%**	**11,469**	**228,039**	**92.1%**	**233,207**	**95.0%**	**(5,168)**

(*) includes vessel charters as well as revenue of the subsidiaries MLE

The table below shows the ferries revenues broken down by service offered:

(Euro thousand)	Nine months ended September 30,					Three months ended September 30,				
	2019	% of Revenue	2018	% of Revenue	2019 vs 2018	2019	% of Revenue	2018	% of Revenue	2019 vs 2018
Income from passenger and vehicle transport	245,480	49.0%	256,433	53.6%	(10,953)	164,835	66.6%	177,672	72.4%	(12,837)
Income from freight transport	124,430	24.8%	109,971	23.0%	14,459	42,760	17.3%	36,450	14.8%	6,310
Income from on-board services	23,118	4.6%	22,594	4.7%	524	13,774	5.6%	13,792	5.6%	(18)
Income from chartering	10,407	2.1%	3,545	0.7%	6,862	2,392	1.0%	1,196	0.5%	1,196
Revenue from subsidies	60,414	12.1%	59,837	12.5%	577	4,278	1.7%	4,097	1.7%	181
Total Ferries Revenues	**463,849**	**92.5%**	**452,380**	**94.5%**	**11,469**	**228,039**	**92.1%**	**233,207**	**95.0%**	**(5,168)**

In the nine months ended September 30, of 2019, the 'Income from freight transport' increased by 13.1% (Euro 14,459 thousand), despite a decrease in the linear metres carried.

'Income from chartering' refers to the subsidiary CIN and is due to the chartering of m/v "Alf Pollak" from a subleasing of a right-of-use asset (for Euro 7,858 thousand) and the chartering of m/v "Superfast Baleares".

'Subsidies' are referred to:

- the public subsidy accrued for the period received by the subsidiary Toremar by virtue of the 'Service Contract' with the Tuscan Region as a continuity guarantee of the public maritime transportation to and from the Tuscan Archipelago for Euro 11,067 thousand;
- the consideration deriving from the subsidy paid to the subsidiary CIN by the Italian State to carry out the public interest maritime transportation with major and minor islands, Sardinia, Sicily, and Tremiti Islands, for Euro 49,183 thousand; and
- the public subsidy received by Moby S.p.A by virtue of the 'Service Contract' with the Sardinian Region as a continuity guarantee of the public maritime transportation with Corsica Island for Euro 164 thousand.

Tugboats

(Euro thousand)	Nine months ended September 30, 2019	% of Revenue	2018	% of Revenue	2019 vs 2018	Three months ended September 30, 2019	% of Revenue	2018	% of Revenue	2019 vs 2018
Port services	14,882	3.0%	14,880	3.1%	2	5,437	2.2%	5,550	2.3%	(113)
Towing at sea, salvage and anti-pollution services	133	0.0%	-	-	133	46	0.0%	-	0.0%	46
Total Tugboats Revenues	**15,015**	**3.0%**	**14,880**	**3.1%**	**135**	**5,483**	**2.2%**	**5,550**	**2.3%**	**(67)**

Revenues from the 'Tugboats' division amounted to Euro 15,015 thousand in the nine months ended September 30, 2019, slightly increasing in comparison with the nine months ended September 30, 2018. Revenues from 'Tugboats' are related to the operations carried out by the Moby and San Cataldo fleet in the main Sardinian ports and in the Apulian port (Barletta).

Port operations

(Euro thousand)	Nine months ended September 30, 2019	% of Revenue	2018	% of Revenue	2019 vs 2018	Three months ended September 30, 2019	% of Revenue	2018	% of Revenue	2019 vs 2018
Port's terminal management	20,294	4.0%	9,543	2.0%	10,751	13,373	5.4%	6,015	2.5%	7,358
Agency commission	750	0.1%	762	0.2%	(12)	233	0.1%	245	0.1%	(12)
Total Revenues Port operations	**21,044**	**4.2%**	**10,305**	**2.2%**	**10,739**	**13,606**	**5.5%**	**6,260**	**2.6%**	**7,346**

Revenues from port's terminal management refer to the:
- Olbia port operation for the management of the Olbia Isola Bianca port by the subsidiary Sinergest and are strictly connected with the passengers traffic in the Sardinian port, for Euro 9,371 thousand;
- Livorno port operation related to the subsidiary LTM and the subsidiary Porto di Livorno 2000, which contributed to the nine months' figures for five months with revenues of Euro 10,156 thousand.

Operating costs

Recurring consumption of raw materials and services

A breakdown of the item 'Consumption of raw materials and services' is provided below:

(Euro thousand)	Nine Months ended September 30, 2019 (without IFRS 16)	Impact of IFRS 16	2019	% of Revenue	2018	% of Revenue	2019 vs 2018
Fuel	(127,876)		(127,876)	(25.5%)	(133,981)	(28.0%)	6,105
Materials and spare parts	(9,157)		(9,157)	(1.8%)	(9,658)	(2.0%)	501
Service costs	(172,406)	37,387	(135,019)	(26.9%)	(169,812)	(35.5%)	34,793
Change in inventories	(84)		(84)	(0.0%)	2,062	0.4%	(2,146)
Total consumption of raw materials and services	**(309,523)**	**37,387**	**(272,136)**	**(54.3%)**	**(311,389)**	**(65.0%)**	**39,253**

The 'Fuel' represents the most important item on costs and accounted for 25.5% of the period revenue (compared with about 28% in the nine months ended September 30, 2018).

(Euro thousand)	Three Months ended September 30, 2019 (without IFRS 16)	Impact of IFRS 16	2019	% of Revenue	2018	% of Revenue	2019 vs 2018
Fuel	(54,496)		(54,496)	(22.0%)	(59,705)	(24.3%)	5,209
Materials and spare parts	(4,541)		(4,541)	(1.8%)	(3,723)	(1.5%)	(818)
Service costs	(69,710)	13,189	(56,521)	(22.8%)	(69,012)	(28.1%)	12,490
Change in inventories	(190)		(190)	(0.1%)	230	0.1%	(420)
Total consumption of raw materials and services	**(128,938)**	**13,189**	**(115,749)**	**(46.7%)**	**(132,210)**	**(53.9%)**	**16,461**

The breakdown of 'Costs for services' is detailed below:

(Euro thousand)	2019 (without IFRS 16)	Impact of IFRS 16	Nine months ended September 30, 2019	% of Revenue	2018	% of Revenue	2019 vs 2018
Port costs	(57,791)		(57,791)	(11.5%)	(58,600)	(12.2%)	809
General expenses	(17,975)		(17,975)	(3.6%)	(16,609)	(3.5%)	(1,365)
Agency fees	(16,626)		(16,626)	(3.3%)	(16,991)	(3.5%)	365
Advertising	(9,290)		(9,290)	(1.9%)	(10,266)	(2.1%)	976
Maintenance	(8,214)		(8,214)	(1.6%)	(8,993)	(1.9%)	779
Fleet insurance	(7,710)		(7,710)	(1.5%)	(8,024)	(1.7%)	314
Ancillary maritime costs	(3,214)		(3,214)	(0.6%)	(3,481)	(0.7%)	267
Bank charges	(486)		(486)	(0.1%)	(936)	(0.2%)	450
Rentals and operating leases	(45,688)	37,387	(8,301)	(1.7%)	(40,497)	(8.5%)	32,196
Corporate bodies	(5,412)		(5,412)	(1.1%)	(5,413)	(1.1%)	1
Total service costs	**(172,406)**	**37,387**	**(135,019)**	**(26.9%)**	**(169,812)**	**(35.5%)**	**34,793**

(Euro thousand)	2019 (without IFRS 16)	Impact of IFRS 16	Three months ended September 30, 2019	% of Revenue	2018	% of Revenue	2019 vs 2018
Port costs	(24,426)		(24,426)	(9.9%)	(23,428)	(9.5%)	(998)
General expenses	(6,681)		(6,681)	(2.7%)	(7,193)	(2.9%)	512
Agency fees	(9,457)		(9,457)	(3.8%)	(9,692)	(3.9%)	235
Advertising	(4,288)		(4,288)	(1.7%)	(4,203)	(1.7%)	(85)
Maintenance	(3,376)		(3,376)	(1.4%)	(2,742)	(1.1%)	(634)
Fleet insurance	(3,059)		(3,059)	(1.2%)	(2,733)	(1.1%)	(326)
Ancillary maritime costs	(1,118)		(1,118)	(0.5%)	(1,401)	(0.6%)	283
Bank charges	(176)		(176)	(0.1%)	(374)	(0.2%)	198
Rentals and operating leases	(15,319)	13,189	(2,130)	(0.9%)	(15,233)	(6.2%)	13,103
Corporate bodies	(1,810)		(1,810)	(0.7%)	(2,012)	(0.8%)	202
Total service costs	**(69,710)**	**13,189**	**(56,521)**	**(22.8%)**	**(69,012)**	**(28.1%)**	**12,490**

Excluding the impact of the IFRS 16 application, the costs for services, in the nine months ended September 30, 2019, increased in comparison with the nine months ended September 30, 2018 due to the increase in 'Rental costs' and 'General expenses', partially offset by a decrease in 'Port costs', 'Advertising' and 'Maintenance' costs. With regard to 'Rental cost' the nine months ended September 30, 2019 figures are impacted by the 'Alf Pollak' and 'Ariadne' chartering, which started respectively in October and April 2018 respectively and the 'Maria Grazia Onorato' chartering, which started in March 2019; the increase is partially offset by the lower rental costs due to the end of the chartering of Superfast Baleares in June 2019 and Wedellsborg and Severine respectively in September and in December 2018.
Referring to 'Port costs', the reduction is mainly related to a decrease in the linear metres carried in the freight division and in journeys made due to the reduction and closure of routes (respectively Piombino – Olbia and Nizza – Bastia), partially offset by the increase coming from the consolidation of Porto di Livorno 2000.

The impact of the new IFRSs refers to the elimination of rental fees for operating leases over a year term, following the adoption of IFRS 16. Rental fees paid for vessel charters, vehicles and offices rentals are classified as a repayment of lease liabilities relative to the obligation and interest expenses related to the lease liabilities.

Personnel costs

The table below shows the breakdown of 'Personnel costs':

(Euro thousand)	Nine months ended September 30, 2019	% of Revenue	2018	% of Revenue	2019 vs 2018	Three months ended September 30, 2019	% of Revenue	2018	% of Revenue	2019 vs 2018
Wages and salaries	(96,563)	(19.3%)	(97,863)	(20.4%)	1,300	(35,027)	(14.1%)	(35,649)	(14.5%)	622
Social security contributions	(9,917)	(2.0%)	(8,702)	(1.8%)	(1,215)	(2,953)	(1.2%)	(2,772)	(1.1%)	(181)
Individual income tax relief pursuant to Law n. 326/2003	9,421	1.9%	10,052	2.1%	(631)	3,544	1.4%	3,825	1.6%	(281)
Termination benefits	(4,306)	(0.9%)	(4,308)	(0.9%)	2	(1,482)	(0.6%)	(1,474)	(0.6%)	(8)
Personnel costs	**(101,365)**	**(20.2%)**	**(100,821)**	**(21.1%)**	**(544)**	**(35,918)**	**(14.5%)**	**(36,070)**	**(14.7%)**	**152**

The individual income tax relief pursuant to Law 326/2003 refers to the individual income tax deductions that the subsidiaries Moby and CIN, in view of the reliefs granted to sector operators that work with vessels entered in the international register, apply for maritime personnel.

Other operating income (expenses)

The table below shows a detailed breakdown of this item:

(Euro thousand)	Nine months ended September 30,					Three months ended September 30,				
	2019	% of Revenue	2018	% of Revenue	2019 vs 2018	2019	% of Revenue	2018	% of Revenue	2019 vs 2018
Capital gain/losses	24,356	4.9%	33	0.0%	24,323	9,717	3.9%	149	0.1%	9,568
Other operating income (expenses)	3,777	0.8%	1,653	0.3%	2,124	2,455	1.0%	(235)	(0.1%)	2,690
Total Other recurring operating income (costs)	**28,133**	**5.6%**	**1,686**	**0.4%**	**26,447**	**12,172**	**4.9%**	**(86)**	**0.0%**	**12,258**

The amount in 'Capital gain' for the nine months ended September 30, 2019 includes:

- the sale of m/v "Aurelia", in February by CIN, obtaining a capital gain, net of the costs of sale, of Euro 4,759 thousand;
- the sale of m/v "Puschmann", in March by CIN, obtaining a capital gain, net of the costs to sale, of Euro 9,906 thousand;
- the sale of the San Cataldo tugboat "Barletta" in March, incurring a loss, net of costs of sale, of Euro 26 thousand;
- The sale of m/v "Krahulik", in July by CIN, obtaining a capital gain, net of the costs to sale, of Euro 9,717 thousand.

Analysis of the statement of financial position as of September 30, 2019

The following paragraph provides for the information related to the main Group consolidated financial indicators as of September 30, 2019, December 31, 2018 and September 30, 2018.

The reclassified table of Sources and Applications as of September 30, 2019, December 31, 2018 and September 30, 2018 is provided below:

(€ thousands)	September 30, 2019 (without IFRS 16)	Impact of new IFRS 16	September 30, 2019	December 31, 2018	September 30, 2018
APPLICATIONS					
Net working capital	(3,003)	(9,088)	(12,091)	(28,904)	(11,721)
Fixed assets and other long-term assets	747,068	145,544	892,612	738,356	737,253
Long-term liabilities	(21,879)	(326)	(22,205)	(21,100)	(18,341)
Net invested capital	**722,186**	**136,130**	**858,316**	**688,353**	**707,191**
SOURCES					
Net financial debt	(591,282)	(137,250)	(728,532)	(590,077)	(558,584)
Net equity	(130,904)	1,120	(129,784)	(98,276)	(148,607)
Sources of financing	**(722,186)**	**(136,130)**	**(858,316)**	**(688,353)**	**(707,191)**

Net working capital

The table below shows the breakdown of the 'Net working capital' as of September 30, 2019, December 31, 2018 and September 30, 2018:

(Euro thousands)	September 30, 2019 (without IFRS 16)	Impact of IFRS 16	September 30, 2019	December 31, 2018	September 30, 2018
Trade receivables	81,155	-	81,155	66,904	78,768
Inventories	15,355	-	15,355	15,449	17,651
Trade payables	(102,553)	-	(102,553)	(110,272)	(114,322)
Net operating Working Capital	**(6,043)**	**-**	**(6,043)**	**(27,919)**	**(17,903)**
Miscellaneous receivables and payables and other current assets/(liabilities)	3,040	(9,088)	(6,048)	(985)	6,182
Net working capital	**(3,003)**	**(9,088)**	**(12,091)**	**(28,904)**	**(11,721)**

Excluding the impact of the IFRS 16 application, the 'Net operating Working Capital' trend is influenced primarily by the 'Trade receivable' and the 'Trade payable' as follows:

- comparing with December 2018, 'Trade Receivables' increased by Euro 14.3 million, in particular in the 'freight division' for Euro 5.6 million due to the growth of revenues and in receivables due for port management services for Euro 5.6 million mostly coming from the subsidiary Porto di Livorno 2000 consolidated from May 2019; the decrease of 'Trade payables' is mainly due to the decrease in the payables for purchase of fuel;
- comparing with September 2018, the change is mostly due to a decrease in 'Trade payables' of Euro 11.8 million, mainly due to the decrease in payables for the purchase of fuel and the increase in 'Trade receivables' mainly due for port management services of Euro 5.6 million, mostly coming from the subsidiary Porto di Livorno 2000 consolidated from May 2019.

Excluding the impact of the IFRS 16 application, the 'Net working capital 2019' includes a positive amount of 'Miscellaneous receivables and payables and other current assets/(liabilities)', in detail:

- comparing with December 2018, the change is mainly due to the increase in 'Other receivables' of Euro 17.3 million, mainly due to the advance payments of the Maria Grazia Onorato charter (additional Euro 2.4 million) and to the second advance payment to lease two RoPax vessels being built for Euro 10.1 million, partially offset by higher 'Other current liabilities' of Euro 9.1 million, mainly due to the prepayments of government grants accounted by CIN related to the consideration deriving from the subsidy paid by the Italian State;
- comparing with September 2018, the 2019 figures show higher 'Other receivables' of Euro 15.6 million, mainly due to the advance payments for charters (m/v "Alf Pollak" and "Maria Grazia Onorato"), and advance payment to suppliers, (e.g. advance on the purchase of specific plants that reduce polluting emissions (scrubbers) to be installed on m/v "Maria Grazia Onorato") and to the advance payments to lease two RoPax vessels being built for Euro 10.1 million. Furthermore, the September 2019 figures show higher 'other current liabilities' of Euro 16.5 million, mainly due to the

increase in prepayments of government grants accounted by CIN due to a different timing in the collection of consideration compared to September 2018.

The impact of new IFRSs refers to the reversal of advance payments incurred for vessel charters, following the adoption of the IFRS 16.

Fixed assets and other long-term assets

The table below details the breakdown of the 'Fixed assets and other long-term assets' as of September 30, 2019, December 31, 2018 and September 30, 2018:

(Euro thousand)	September 30, 2019 (without IFRS 16)	Impact of IFRS 16	September 30, 2019	December 31, 2018	September 30, 2018
Other intangible assets	26,112	-	26,112	28,376	26,098
Goodwill	52,628	-	52,628	42,834	48,483
Property, plant and equipment	38,122	8,409	46,531	36,177	34,506
Fleet	621,331	137,132	758,463	622,211	621,369
Equity investments	4,039	-	4,039	4,006	1,724
Deferred tax assets	4,836	3	4,839	4,752	5,073
Fixed assets and other long-term assets	**747,068**	**145,544**	**892,612**	**738,356**	**737,253**

(Euro thousand)	September 30, 2019 (without IFRS 16)	Impact of IFRS 16	September 30, 2019	December 31, 2018	September 30, 2018
Ferries	608,408	137,132	745,540	615,718	614,835
Tugboats	12,924		12,924	6,493	6,534
Total Fleet	**621,332**	**137,132**	**758,463**	**622,211**	**621,369**

Excluding the impact of the IFRS 16 application, during the period, the operating activity of fleet management involved investments of Euro 46,245 thousand, mainly due to:

- Euro 12,540 thousand for cyclical maintenance of ferries;
- Euro 19,720 thousand for extraordinary maintenance, mainly for: Euro 3,644 thousand for the renovation of the passenger common areas, Euro 12,210 thousand for structural maintenance on mechanical parts, engines and compliance due to the SOLAS regulations, Euro 3,862 thousand for structural upgrades to safety equipment and Euro 4 thousand for silicone hull treatments;
- Initial refitting operations carried out on vessels and purchase and installation of specific plants that reduce polluting emissions (scrubbers), allowing use of the current fuel on the m/v "Maria Grazia Onorato" for a total of Euro 5,492 thousand;
- Euro 7,290 thousand as final price of the tugboat called "Vincenzino O.", delivered in July 2019;
- Euro 1,148 thousand for investing activity in the tugboats fleet.

Excluding the impact of the IFRS 16 application, investments of property, plant and equipment for the period are mainly ascribable to: *i*) further planning fees and other fees paid by the subsidiary Andy to Portoferraio municipality for the building complex located on the Elba Island of Euro 1,215 thousand; *ii)* new projects related to the fleet of Euro 306 thousand; *iii)* hardware and electronic equipment bought by the Parent Company and the subsidiaries, of Euro 310 thousand, and *iv)* further works on property and offices incurred by the Parent Company of Euro 470 thousand.

The impact of the new IFRSs refers to the right-of-use of the asset corresponding to the lease liability and taking into account of advance payment paid, following the adoption of IFRS 16.

'Amortizations, depreciations and write-downs' are presented below:

(Euro thousand)	2019 (without adoption of new IFRSs)	Impact of IFRS 16	2019	% of Revenue	2018	% of Revenue	2019 vs 2018
	Nine months ended September 30,						
Amortization of intangible assets	(3,331)	-	(3,331)	(0.7%)	(1,865)	(0.4%)	(1,466)
Depreciation of PP&E	(2,997)	(2,201)	(5,198)	(1.0%)	(2,234)	(0.5%)	(2,964)
Depreciation of fleet	(40,739)	(29,947)	(70,686)	(14.1%)	(43,143)	(9.0%)	(27,543)
Total depreciation and amortization	**(47,067)**	**(32,148)**	**(79,215)**	**(15.8%)**	**(47,242)**	**(9.9%)**	(31,973)

(Euro thousand)	2019 (without IFRS 16)	Impact of IFRS 16	2019	% of Revenue	2018	% of Revenue	2019 vs 2018
	Three months ended September 30,						
Amortization of intangible assets	(1,183)	-	(1,183)	(0.5%)	(642)	(0.3%)	(541)
Depreciation of PP&E	(1,151)	(521)	(1,672)	(0.7%)	(731)	(0.3%)	(941)
Depreciation of fleet [1]	(14,341)	(10,302)	(24,643)	(9.9%)	(15,312)	(6.2%)	(9,331)
Total depreciation and amortization	**(16,675)**	***(10,823)***	**(27,498)**	**(11.1%)**	**(16,685)**	**(6.8%)**	(10,813)

The impact of the new IFRSs refers to depreciation of the right-of-use of the asset mentioned before, following the adoption of IFRS 16.

Long-term liabilities

The detailed breakdown of the 'Long-term liabilities' as of September 30, 2019, December 31, 2018 and September 30, 2018 is shown below:

(Euro thousand)	September 30, 2019 (without IFRS 16)	Impact of IFRS 16	September 30, 2019	December 31, 2018	September 30, 2018
Provisions for employee benefits	(4,812)		(4,812)	(3,819)	(4,065)
Provisions for risks and expenses	(7,980)		(7,980)	(8,264)	(6,365)
Deferred tax liabilities	(9,087)	(326)	(9,413)	(9,017)	(7,911)
Long-term liabilities	**(21,879)**	**(326)**	**(22,205)**	**(21,100)**	**(18,341)**

Net financial indebtedness

A detailed breakdown of 'Net financial indebtedness' as of September 30, 2019, December 31, 2018 and September 30, 2018 is shown below:

(Euro thousand)	September 30, 2019 (without IFRS 16)	Impact of IFRS 16	September 30, 2019	December 31, 2018	September 30, 2018
Use of credit lines and other short-term financial debts	(73,418)	-	(73,418)	(134,127)	(59,533)
Current portion of medium and long-term financing	(121,574)	869	(120,705)	(171,787)	(75,867)
Current portion of financing vs Tirrenia A.S.	(115,000)	-	(115,000)	(115,000)	(55,000)
Current portion of Lease liabilities	-	(34,304)	(34,304)		
Current financial indebtedness	**(309,992)**	**(33,435)**	**(343,427)**	**(420,914)**	**(190,400)**
Medium-/long-term financing	(278,848)	3,732	(275,116)	(283,524)	(371,835)
Non-current portion of financing vs Tirrenia A.S.	(65,000)	-	(65,000)	(65,000)	(125,000)
Non-current portion of Lease liabilities	-	(107,547)	(107,547)		
Non-current financial indebtedness	**(343,848)**	**(103,815)**	**(447,663)**	**(348,524)**	**(496,835)**
Total gross financial indebtedness	**(653,840)**	**(137,250)**	**(791,090)**	**(769,438)**	**(687,235)**
Other non-current financial assets	4,326	-	4,326	3,141	3,091
Other current financial assets	2,030	-	2,030	4,097	99
Cash and cash equivalents	56,202	-	56,202	172,123	125,461
Net financial debt	**(591,282)**	**(137,250)**	**(728,532)**	**(590,077)**	**(558,584)**

In February 2019, the Parent Company paid the third instalment of the Senior Facilities Agreement for an amount of Euro 50,000 thousand.

The impact of the new IFRSs refers to lease liability, following the adoption of IFRS 16.

The breakdown of the item 'Financial income/expenses' is detailed below:

(Euro thousand)	Nine months ended 30 September						
	2019 (without adoption of new IFRSs)	**Impact of new IFRSs**	**2019**	**% of Revenues**	**2018**	**% of Revenues**	**2019 vs 2018**
Interest expenses	(28,093)	(6,970)	(35,063)	(7.0%)	(26,333)	(5.5%)	(8,730)
Expenses from derivative instruments	-		-	-	(666)	(0.1%)	666
Foreign exchange losses	(299)		(299)	(0.1%)	(337)	(0.1%)	38
Financial expenses	**(28,392)**	**(6,970)**	**(35,362)**	**(7.1%)**	**(27,336)**	**(5.7%)**	**(8,026)**
Interest income	32		32	0.0%	511	0.1%	(479)
Income from equity investments	33		33	0.0%	-	0.0%	33
Foreign exchange gains	146		146	0.0%	150	0.0%	(4)
Financial income	**211**	**-**	**211**	**0.0%**	**661**	**0.1%**	**(450)**
Total financial income (expenses)	**(28,181)**	**(6,970)**	**(35,151)**	**(7.0%)**	**(26,675)**	**(5.6%)**	**(8,476)**

(Euro thousand)	Three months ended 30 September						
	2019 (without adoption of new IFRSs)	**Impact of new IFRSs**	**2019**	**% of Revenues**	**2018**	**% of Revenues**	**2019 vs 2018**
Interest expenses	(9,229)	(2,648)	(11,877)	(4.8%)	(8,707)	(3.5%)	(3,170)
Expenses from derivative instruments	-		-	0.0%	(318)	(0.1%)	318
Foreign exchange losses	(141)		(141)	(0.1%)	(93)	(0.0%)	(48)
Financial expenses	**(9,370)**	**(2,648)**	**(12,018)**	**(4.9%)**	**(9,118)**	**(3.7%)**	**(2,900)**
Interest income	14		14	0.0%	327	0.1%	(312)
Income from equity investments	-		-	(0.0%)	-	-	-
Foreign exchange gains	82		82	0.0%	44	0.0%	37
Financial income	**96**	**-**	**96**	**0.0%**	**371**	**0.2%**	**(275)**
Total financial income (expenses)	**(9,274)**	**(2,648)**	**(11,922)**	**(4.8%)**	**(8,747)**	**(3.6%)**	**(3,175)**

Excluding the impact of the IFRS 16 application, Group 'Financial expenses' for the nine months ended September 30, 2019 are mainly ascribable to interest expenses on long-term borrowings, generated by the "Financing" of Euro 26,397 thousand (Euro 25,605 thousand in the nine months ended September 30, 2018) including amortised cost of Euro 2,998 thousand (Euro 2,499 thousand in the nine months ended September 30, 2018) and interest generated by the revolving credit facility of Euro 2,083 thousand (Euro 1,525 thousand in the nine months ended September 30, 2018).
In the nine months ended September 30, 2019, the subsidiary CIN recorded Euro 1,081 thousand as interest on assignment with recourse for the consideration of the 2019 subsidy, concluded in December 2018.
The impact of the new IFRSs refers to interest originated by lease liability, following the adoption of IFRS 16.

Cash Flow Analysis

A detailed breakdown of 'Cash flow' for the nine months ended September 30, 2019 compared to the nine months ended September 30, 2018 is provided below:

(Euro Thousands)	Nine months ended 30 September				
	2019 (without adoption of IFRS16)	**Impact of IFRS 16**	**2019**	**2018**	***2019 vs 2018***
Net result from the period	*32,894*	*(1,984)*	*30,910*	*(12,669)*	***43,580***
Income tax expense	*6,039*	*253*	*6,292*	*4,866*	***1,426***
Net financial (income)/expenses	*28,181*	*6,970*	*35,151*	*27,175*	***7,976***
Amortisation, depreciations, impairments and Provisions accruals and (reversal)	*47,402*	*32,147*	*79,550*	*47,242*	***32,308***
EBITDA	**114,516**	**37,387**	**151,903**	**66,613**	***85,290***
Change in OWC	(20,591)	-	(20,591)	(35,219)	***14,628***
Change in other assets/liabilities	(7,557)	(2,463)	(10,020)	(17,466)	***7,446***
Other *	(29,208)	-	(29,208)	(3,135)	***(26,073)***
Net cash flow provided by operating activities (A)	**57,160**	**34,924**	**92,084**	**10,793**	***81,291***
Capex - Fleet	(46,245)	(38,527)	(84,772)	(40,822)	***(43,950)***
Capex - Other (Tangible, Intangible and fleet in progress)	(3,673)	(874)	(4,547)	(5,249)	***701***
Proceeds from Vessels' sales	30,911	-	30,911	-	***30,911***
Proceeds from Tangible sale	12	-	12	300	***(288)***
Proceeds from other financial assets	68	-	68	99	***(31)***
Acquisition of a subsidiaries, net of cash acquired	(9,582)	-	(9,582)	-	***(9,582)***
Equity investment	(33)	-	(33)	(30)	***(3)***
Minority Equity inflows	25	-	25	-	***25***
Net cash flow provided by/(used in) investing activities (B)	**(28,517)**	**(39,402)**	**(67,918)**	**(45,702)**	***(22,217)***
Free cash flow (C) = (A + B)	*28,644*	*(4,477)*	*24,166*	*(34,909)*	*59,075*
Proceeds of borrowings net of costs incurred	2,750	35,222	37,972	-	***37,972***
Repayment from borrowings	(52,107)	(23,774)	(75,882)	(41,117)	***(34,765)***
Net change in other financial liabilities	(63,447)	-	(63,447)	(1,702)	***(61,745)***
Dividends paid	(1,157)	-	(1,157)	(491)	***(666)***
Payment of interest and other financial charges and proceed of interest income	(30,603)	(6,970)	(37,573)	(29,922)	***(7,651)***
Net cash flow provided by/(used in) financing activities (D)	**(144,564)**	**4,477**	**(140,087)**	**(73,232)**	***(66,855)***
Total Cash Flow (C+D)	**(115,920)**	**-**	**(115,920)**	**(108,141)**	***(7,780)***

**Net of Employees benefits, uses of provisions, Income tax paid, other non-monetary and reclassification of capital (gain) loss due to sale of assets*

Excluding the impact of the IFRS 16 application, the nine months ended 2019 'Cash Flow' was the result of:

- net cash flow generated by operating activities of Euro 57,160 thousand up Euro 46,367 thousand compared with the nine months ended September 30, 2018; the change is mainly due to the increase in EBITDA thanks to revenue growth and the increase in net working capital change. The "Other changes" includes the capital gain from the sale of the vessels "Aurelia", "Puschmann" and "Krahulik";
- net cash flow absorbed by investing activities of Euro 28,517 thousand up Euro 17,185 thousand compared to the nine months ended September 30, 2018; most of the net increase reflects the sales of vessels for Euro 30,911 thousand (in detail: "Aurelia" proceeds net of cost of sales of Euro 5,940 thousand, "Puschmann" Euro 12,557 thousand, "Krahulik" for Euro 12,394 and "Barletta" Euro 20 thousand), partially offset by the net cash absorption due to the acquisition of Porto di Livorno 2000, for a total of Euro 9,582 thousand;
- net cash flow absorbed by financing activities of Euro 144,564 thousand down Euro 71,332 thousand compared with the nine months ended September 30, 2018 mainly due to the payment of the third instalment of the Senior Facilities Agreement for Euro 50,000 thousand (Euro 40,000 thousand for the second instalment paid in the nine months ended September 30, 2018) and to the partial release of the assignment with-recourse deriving from the agreement between CIN and the Italian State to carry out the public interest maritime connection with major and minor islands for the year 2019, of Euro 62,800 thousand.

A detailed breakdown of 'Cash flow' for the three months ended September 30, 2019 compared to the three months ended September 30, 2018 is provided below:

(Euro Thousands)			**Three months ended 30 September**		
	2019 (without adoption of new IFRSs)	**Impact of new IFRSs**	**2019**	**2018**	***2019 vs 2018***
Net result from the period	*60,891*	*(355)*	*60,536*	*47,539*	***12,998***
Income tax expense	*4,191*	*73*	*4,264*	*2,426*	***1,838***
Net financial (income)/expenses	*9,274*	*2,648*	*11,922*	*8,747*	***3,175***
Amortisation, depreciations, impairments and Provisions accruals and (reversal)[1]	*16,981*	*10,823*	*27,804*	*16,685*	***11,119***
EBITDA	**91,337**	**13,189**	**104,526**	**75,396**	***29,130***
Change in OWC	(909)	-	(909)	(22,430)	***21,521***
Change in other assets/liabilities	(78,109)	(5,960)	(84,069)	(106,890)	***22,821***
Other *	(12,822)	-	(12,822)	(2,250)	***(10,572)***
Net cash flow provided by operating activities (A)	**(503)**	**7,229**	**6,726**	**(56,174)**	***62,900***
Capex - Fleet	(17,383)	-	(17,383)	(8,119)	***(9,264)***
Capex - Other (Tangible, Intangible and fleet in progress)	(1,995)	(361)	(2,356)	(2,196)	***(160)***
Proceeds from Vessels' sales	12,394	-	12,394	-	***12,394***
Proceeds from Tangible sale	4	-	4	300	***(296)***
Proceeds from other financial assets	33	-	33	34	***(1)***
Acquisition of a subsidiaries, net of cash acquired	-	-	-	-	-
Equity investment	-	-	-	-	-
Minority Equity inflows	-	-	-	-	-
Net cash flow provided by/(used in) investing activities (B)	**(6,947)**	**(361)**	**(7,308)**	**(9,981)**	***2,673***
Free cash flow (C) = (A + B)	***(7,449)***	***6,868***	***(582)***	***(66,155)***	***65,573***
Proceeds of borrowings net of costs incurred	-	361	361	-	***361***
Repayment from borrowings	(1,051)	(4,581)	(5,631)	(436)	***(5,195)***
Net change in other financial liabilities	(11,065)	-	(11,065)	514	***(11,580)***
Dividends paid	(245)	-	(245)	-	***(245)***
Payment of interest and other financial charges and proceed of interest income	(12,998)	(2,648)	(15,646)	(13,398)	***(2,247)***
Net cash flow provided by/(used in) financing activities (D)	**(25,358)**	**(6,868)**	**(32,226)**	**(13,320)**	***(18,906)***
Total Cash Flow (C+D)	**(32,808)**	**-**	**(32,808)**	**(79,475)**	***46,667***

**Net of Employees benefits, uses of provisions, Income tax paid, other non-monetary and reclassification of capital (gain) loss due to sale of assets*

Excluding the impact of the IFRS 16 application, the three months ended 2019 'Cash Flow' was the result of:

- net cash flow absorbed by operating activities of Euro 503 thousand up Euro 55,671 thousand compared to the same period 2018; the change is mainly due to the increase in EBITDA thanks to revenue growth and an increase in net working capital change;
- net cash flow absorbed by investing activities of Euro 6,947 thousand up Euro 3,034 thousand compared to 2018 mainly due to the sale of vessel "Krahulik" partially offset by less capital expenditure in comparison to nine months ended September 30, 2018;
- net cash flow absorbed by financing activities of Euro 25,358 thousand down Euro 12,038 thousand compared to 2018 mainly due to the additional release of the assignment with-recourse of the consideration deriving from the agreement between CIN and the Italian State to carry out the public interest maritime connection with major and minor islands for the year 2019.

The impact of the new IFRSs refers to the adoption of IFRS 16, as follows:

- elimination of rental fees of operating leases over a year term and classification as repayment of lease liabilities relative to the obligation and interest expenses related to the lease liabilities;
- recording of new contracts signed during the 2019 as 'Capex', and relative lease liability classified as 'Proceeds of borrowings net of costs incurred'.

5. Subsequent events

In June, with reference to the administrative penalty of Euro 29,203 thousand imposed by the Italian Antitrust Authority (*Autorità Garante della Concorrenza e del Mercato* or *AGCM*), the regional administrative court of Lazio (*Tribunale Amministrativo Regionale* or *TAR*) issued a final judgment on the appeal brought by the Parent Company and the subsidiary CIN, allowing their appeal and finding that a significant part of the conduct alleged by the *AGCM* had not been correctly verified. As a result of the judgment, the *AGCM* has been required, under specific new proceedings, to reassess the sanctions imposed in order to comply with the decision provided by the *TAR*. AGCM started the reassessment process which is expected to be completed by the end of December.

With reference to the proceedings in progress before the Court of Rome with which Tirrenia di Navigazione S.p.A. in A.S. summoned our subsidiary CIN S.p.A. with regard to the suspension of the payment of the Deferred Price of the amount owed due to Tirrenia di Navigazione S.p.A. in A.S., Tirrenia di Navigazione S.p.A. in A.S. has filed an appeal for an attachment order relating to the second instalment of Euro 60 million, due on April 30, 2019; the first hearing was held in June and the second hearing on 9 September and the issue is currently being examined by the judge. With reference to the request for the attachment of the first instalment of Euro 55 million, which expired on April 30, 2016, the Tirrenia appeal has been rejected by the judge on September 11; Tirrenia contested this decision and the first hearing is scheduled for January 15, 2020.

With reference to the proceedings in progress before the Court of Milan with which the commissioners of Tirrenia di Navigazione S.p.A. in A. S. submitted an objection to the merger project by the Parent Company and the subsidiary CIN, the first hearing was held on 14 May and the next hearing is scheduled for January 8, 2020.

The subsidiary Porto di Livorno 2000 operates on the basis of a concession expiring on December 31, 2019. As the tender Moby group was awarded with in 2018 included a thirty-year concession, the competent port authority will issue a temporary concession, functional to the final deed, operating until the completion of the privatisation procedure.

In August 2018, the concession for the management of the 'Isola Bianca' terminal in the port of Olbia ended. The Group operated, during 2019, via a temporary concession initially until June 30, 2019, then extended to December 2019. In November 2019 the subsidiary Sinergest submitted a project financing to the competent port authority, which should complete the decisional process by the next February. In the meantime, the same port authority opened a procedure to entrust specific port services for the period January – April 2020 and Sinergest expressed its interest by the requested deadline.

Livorno Terminal Marittimo (LTM) operated in 2019 in the port of Livorno on the basis of specific concessions, expiring on December 31, 2019. The competent port authority called a committee meeting on December 19, 2019 to issue a new 4 years' concession to LTM.

With reference to the Bondholder Proceedings, on 19 September a group of holders of the Group's Senior Secured Notes commenced proceedings against the Parent Company before the Court of Milan. The holders alleged, among other things, that the Parent Company was in a state of insolvency. The Parent Company considered the allegations entirely groundless and vigorously defended the proceedings. The Parent Company was entirely successful in its defence of the proceedings and on 9 October 2019 the court of Milan dismissed the Bondholder Proceedings awarding costs in favour of the Parent Company.

In September 2019, the Parent Company announced that it had entered into the Vessel Sale Agreement. In line with its business plan and strategy of fleet optimization, the Parent Company proposed the sale of two vessels and the acquisition of two vessels. The terms of the Vessel Sale Agreement would have allowed the Group to acquire an additional two secured vessels, prepay a portion of the Group's outstanding financial liabilities and utilise the balance of the proceeds for working capital purposes. In accordance with the terms of the Group's finance documents, the Parent Company requested the security agent to release the mortgages over the two vessels ('Moby Aki' and 'Moby Wonder'). Despite the Parent Company complying with the terms of the finance documents, the security agent failed to release the mortgages as requested in accordance with the finance documentation. A key term of the Vessel Sale Agreement was that the vessels were delivered to the purchaser, DFDS A/S, unencumbered. Due to the failure of the security agent to release the security, the Parent Company could not sell the vessels to DFDS unencumbered and accordingly DFDS exercised its cancellation rights under the Vessel Sale Agreement. DFDS has reserved its rights to claim compensation from the Group due to the failure to complete the Vessel Sale Agreement. The Parent company has similarly reserved its rights against the security agent.

The Group is continuing to review its operations and is in discussions with its lenders under the Senior Facilities Agreement and announced on 18 October 2019 that it would hold a roundtable discussion with holders of the Senior Secured Notes. To assist the Group with its financial review, the Group has hired PricewaterhouseCoopers as its financial adviser.

On November 25, the vessel Princess Anastasia, operating in the Baltic, suffered a damage which caused the stop of the activity. Repair works are on going and are supposed to be completed by the end of January 2020.

6. Interim Condensed Consolidated Financial Statements as of September 30, 2019

Condensed Consolidated Statement of Financial Position

(Euro thousand)	As of September 30, 2019	As of December 31, 2018
NON-CURRENT ASSETS		
Property, plant and equipment	46,531	36,177
Fleet	758,463	622,211
Goodwill	52,628	42,834
Other intangible assets	26,112	28,376
Equity investments	4,039	4,007
Other non-current financial assets	4,326	3,141
Deferred tax assets	4,839	4,752
TOTAL NON-CURRENT ASSETS	**896,938**	**741,498**
CURRENT ASSETS		
Inventories	15,355	15,449
Trade receivables	81,155	66,904
Other receivables	49,553	41,713
Other current financial assets	2,030	4,097
Cash and cash equivalents	56,202	172,123
TOTAL CURRENT ASSETS	**204,295**	**300,285**
ASSETS HELD FOR SALE	**-**	**-**
TOTAL ASSETS	**1,101,233**	**1,041,783**
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	36,192	36,192
Reserves	53,718	115,579
Net results attributable to owners of the parent	26,446	(63,101)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**116,356**	**88,670**
NON-CONTROLLING INTERESTS		
Share capital and reserves attributable to non-controlling interests	8,963	9,188
Net results attributable to non-controlling interests	4,464	417
TOTAL NON-CONTROLLING INTERESTS	**13,427**	**9,605**
TOTAL SHAREHOLDERS' EQUITY	**129,783**	**98,276**
NON-CURRENT LIABILITIES		
Long-term borrowings	-	4,389
Other non-current financial liabilities	340,116	344,135
Non-current Lease liabilities	107,547	-
Employee benefits	4,812	3,819
Provisions	7,980	8,264
Deferred tax liabilities	9,413	9,017
TOTAL NON-CURRENT LIABILITIES	**469,868**	**369,624**
CURRENT LIABILITIES		
Short term borrowings and current portion of long-term borrowings	171,377	283,364
Other current financial liabilities	137,746	137,550
Current Lease liabilities	34,304	-
Taxes payables	7,148	2,946
Trade payables	102,553	110,272
Other current liabilities	48,453	39,751
TOTAL CURRENT LIABILITIES	**501,581**	**573,883**
LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS HELD FOR SALE	**-**	**-**
TOTAL LIABILITIES	**971,449**	**943,507**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,101,233**	**1,041,783**

Condensed Consolidated Statement of Profit or Loss

(Euro Thousand)	Nine months ended September 30	
	2019	**2018**
Revenue	**501,306**	**478,843**
Raw materials and services	(276,164)	(313,095)
Personnel costs	(101,365)	(100,821)
Other operating income (expenses), net	28,126	1,686
Provisions	(312)	-
Write-downs of trade receivables and other current assets	(23)	-
Amortisation of intangible assets	(3,331)	(1,865)
Depreciation of property, plant and equipment	(5,198)	(2,234)
Depreciation of fleet	(70,686)	(43,143)
Operating profit	**72,353**	**19,371**
Financial income	211	661
Financial expense	(35,362)	(27,836)
Result before taxes	**37,202**	**(7,804)**
Income tax expense	(6,292)	(4,866)
Net result for the period	**30,910**	**(12,669)**
Non-controlling interests	4,464	2,704
Owners of the parent	**26,446**	**(15,373)**
Number of ordinary shares	**69,877,400**	**69,877,400**
Basic earnings per share (in thousands of Euro)	**0.38**	**(0.22)**

Condensed Consolidated Statement of Other Comprehensive Income

(Euro thousand)	Nine months ended September 30 2019	2018
Net result	**30,910**	**(12,669)**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Valuation of hedge accounting derivatives:		
Gains (losses) for the period	1,589	8,293
- Gains (losses) for the period to be reclassified to profit or loss	1,203	(740)
Net gains (losses) from cash flow hedges	386	9,034
Tax effects on valuation of derivatives	(34)	(800)
Net (loss)/gain on cash flow hedges	352	8,233
Other gains/(losses)	-	-
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	**352**	**8,233**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	**25**	**(12)**
Total comprehensive income	**31,287**	**(4,448)**
Attributable to:		
Owners of the parent	26,822	(7,151)
Non-controlling interests	4,464	2,704

Condensed Consolidated Statement of Changes in Equity

(Euro thousand)	Share capital	Legal reserve	Share premium reserve	Riserva FTA	Cash flow hedge reserve	Other reserves	Retained earnings	Net result for the period	Equity attributable to owners of the parent	Non-controlling interests	Total Shareholders' equity
December 31, 2017	**36,192**	**4,580**	**27,596**	**-**	**(7,746)**	**(215)**	**58,609**	**23,159**	**142,175**	**9,893**	**152,069**
Net result 2017 destination							*23,159*	*(23,159)*	***-***		***0***
First time adoption IFR 16				***1,978***					***1,978***	*-*	***1,978***
Dividends										*(491)*	***(491)***
Other movements							*142*		***142***	*(214)*	***(72)***
Total changes	**-**	**-**	**-**	**1,978**	**-**	**-**	**23,301**	**(23,159)**	**2,120**	**(705)**	**1,415**
Net result for the period								*(63,101)*	***(63,101)***	*418*	***(62,683)***
Net (loss)/gain on cash flow hedges					*7,451*				***7,451***		***7,451***
Change in Employee benefits						*32*			***32***		***32***
Other movements						*(8)*			***(8)***		***(8)***
Total comprehensive income	**-**	**-**	**-**	**-**	**7,451**	**24**	**-**	**(63,101)**	**(55,625)**	**418**	**(55,207)**
December 31, 2018	**36,192**	**4,580**	**27,596**	**1,978**	**(295)**	**(191)**	**81,910**	**(63,101)**	**88,670**	**9,606**	**98,276**
Net result 2018 destination							***(63,101)***	***63,101***	***-***	***-***	***-***
First time adoption IFR 16				***863***					***863***	***-***	***863***
Consolidation									***-***	***513***	***513***
Dividends									***-***	***(1,157)***	***(1,157)***
Other movements									***-***	***-***	***-***
Total changes	**-**	**-**	**-**	**863**	**-**	**-**	**(63,101)**	**63,101**	**863**	**(643)**	**220**
Net result for the period								***26,446***	***26,446***	***4,464***	***30,910***
Net (loss)/gain on cash flow hedges					**352**				***352***		***352***
Change in Employee benefits									***-***		***-***
Other movements						**25**			***25***		***25***
Total comprehensive income	**-**	**-**	**-**	**-**	**352**	**25**	**-**	**26,446**	**26,822**	**4,464**	**31,287**
September 30, 2019	**36,192**	**4,580**	**27,596**	**2,841**	**57**	**(166)**	**18,810**	**26,446**	**116,356**	**13,427**	**129,783**

Condensed Consolidated Statement of Cash Flow

(Euro thousand)	Nine months ended 30 September 2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		
Net result from the period	30,910	(12,669)
Adjustment to reconcile net result to net cash flow:		
Income tax expense	6,292	4,866
Net financial (income)/expenses	35,151	27,175
Amortisation and depreciation	79,215	47,242
Employee benefits accrued	4,306	4,308
Write-down of current assets	23	-
Provision accruals and reversal	312	-
(Gain) /Loss on disposal of assets	(24,349)	(32)
Employee benefits paid	(4,415)	(4,276)
Uses of provisions	(1,800)	(532)
Income tax paid and collected	(2,975)	(2,550)
Other non-monetary changes	25	(54)
Changes in operating assets and liabilities:		
Trade receivables	(11,095)	(17,818)
Inventories	94	(1,878)
Trade payables	(9,590)	(15,524)
Other current assets and liabilities	(10,021)	(17,466)
Net cash flow provided by/(used in) operating activities (A)	**92,084**	**10,793**
CASH FLOW FROM INVESTMENT ACTIVITIES		
Investment in tangible assets - fleet	(84,772)	(40,822)
Investment in tangible assets - property, plant and equipment	(3,510)	(4,791)
Investment in intangible assets	(1,037)	(458)
Proceeds from Vessels' sale	30,911	-
Proceeds from sale of tangible assets	12	300
Proceeds from other financial assets	68	99
Acquisition of a subsidiaries, net of cash acquired	(9,582)	-
Equity investment	(33)	(30)
Minority Equity inflows	25	-
Net cash flow provided by/(used in) investment activities (B)	**(67,918)**	**(45,702)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of borrowings net of costs incurred	37,972	-
Repayment from borrowings	(75,882)	(41,117)
Net change in short-term financial liabilities	(63,447)	(1,702)
Dividend paid	(1,157)	(491)
Payment of interest and other financial charges and proceed of interest income	(37,573)	(29,922)
Net cash flow provided by/(used in) financing activities (C)	**(140,087)**	**(73,232)**
Net change in cash and cash equivalents (D=A+B+C)	**(115,920)**	**(108,141)**
Cash and cash equivalents at beginning of the year (E)	**172,123**	**233,602**
Cash and cash equivalents at end of the year (F=D+E)	**56,202**	**125,461**

7. Interim Condensed Consolidated Notes

The condensed consolidated interim financial statements were prepared in accordance with IFRS and drawn up in summary form, using the criteria for drawing up interim financial statements provided for by IAS 34 – Interim Financial Reporting.
The condensed consolidated interim financial statements do not include all the supplementary information required in the annual financial statements and should be read in conjunction with the consolidated financial statements as of December 31, 2018, prepared in accordance with IFRS.
The accounting standards adopted when drawing up the condensed consolidated interim financial statements are those adopted when drawing up the consolidated financial statements as of December 31, 2018, prepared in accordance with IFRS, except for what is mentioned at Note 7.1. IFRS also means all the revised international accounting standards ("IAS") and all the interpretations issued by the IFRS Interpretations Committee ("IFRIC"), earlier known as Standing Interpretations Committee ("SIC").
Specifically, it should be pointed out that the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows were drawn up in extended form, and are the same as those adopted for the annual financial statements.
The explanatory notes below, however, are presented in summary form, and therefore do not include all the information required for the annual financial statements. Specifically, it should be pointed out that, as provided for by IAS 34 – Interim Financial Reporting, in order to avoid duplicating information that has already been published, the notes refer exclusively to those components of the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows whose composition or changes undergone (whether due to their amount or their type, or because of their unusual nature) are essential to understanding the operating results and financial position of the Group.
The condensed consolidated interim financial results as of September 30, 2019 consist of the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows, as well as these explanatory notes.
The currency used in the presentation of the condensed consolidated interim financial statements is the euro, which is the currency generally used by the Parent Company and most of its subsidiaries. The balances stated in the financial statements and the notes thereto are expressed in thousands of euro, unless expressly indicated otherwise.
The statement of financial position classifies assets and liabilities as current or non-current, whereas the consolidated income statement is presented according to a classification of costs by type of expense. The statement of cash flows has been prepared according to the indirect method and is presented in accordance with IAS 7 – Statement of Cash Flows by classifying the cash flows under the headings of operating activities, investment activities and financing activities.
The preparation of the condensed consolidated interim financial statements and the related notes requires the directors to make discretionary valuations, estimates and assumptions that affect the values of income, expenses, assets and liabilities, as well as the indication of contingent liabilities and assets, at the date of the financial statements. The final results may differ from such estimates. The estimates are used to identify salvage income, deferred tax assets, employee benefits, derivative financial instruments, impairment of non-financial assets and provisions for risks and charges. The valuation processes also concern the useful life of investments, intangible assets acquired in business combination operations, valuations of companies recognised according to the equity method and assets and liabilities classified as held for sale. The estimates and assumptions are periodically reviewed, and the effects of any change is reflected in the income statement during the period in which the estimate is revised, and/or also in subsequent periods if they are affected by the revision.
These condensed consolidated interim financial statements are drawn up on a voluntary basis, are not subject to disclosure obligations and are not audited.

7.1 ***Changes in accounting standards, new accounting standards, changes in estimates and reclassifications***

The accounting standards adopted when drawing up these condensed consolidated interim financial statements are the same as those adopted when drawing up the Group's consolidated annual financial statements as of December 31, 2018, with the exception of the following accounting standards/amendments that have come into force:
IFRS 16 Leases defines a single model for recording lease contracts based on the recording by the lessee of an asset representing the right-of-use of the asset against a liability representing the obligation to make the payments envisaged by the contract (the "lease liability"). The accounting treatment of the new standard envisages, in short, the recording, for the lessee:

- on the balance sheet, of the assets representing the right-of-use of the asset and the financial liabilities relative to the obligation to make the payments envisaged by the contract;
- on the income statement, of the amortisation/depreciation of the right-of-use assets and interest expense accrued on the lease liability; on the income statement, the charges are also noted relative to the lease contracts, which meet the requirements of being short-term and low-value and variable payments connected with the use of the asset, not included in the determination of the right of use/lease liability, as permitted by the standard;
- the following effects are seen on the statement of cash flows: *i*) a change to 'net cash flow from operating activities' that no longer includes payments for rental fees; *ii*) a change to 'net cash flow from investing activities' that includes the right of use new lease contract signed; and *iii*) a change to net cash flow from financing activities that includes the outlays relating to the reimbursement of the lease liability.

During the first application of the new standard, the Group acted as follows:

- it applied the modified retrospective approach;
- it availed itself of the option that allows it not to apply IFRS 16 to leases with a residual term as at 01 January 2019 of less than 12 months, for all asset types;
- it recorded an asset for the right-of-use at an amount corresponding to the lease liability amended to take into account any deferred charges for advance-payments and without considering the initial direct costs incurred in years prior to 01 January 2019;
- the options for renewal or early termination were analysed, where present, in order to determine the overall term of the contract.

Details of the effects deriving from the application of IFRS 16 are:

- Consolidated balance sheet as of January 01 2019:
  - Increase in 'Fleet': Euro 128,6 million;
  - Increase in 'PP&E': Euro 7,5 million;
  - Increase in 'Lease liabilities': Euro 128,8 million.
  - Decrease in 'Other receivables': Euro 7,3 million.

- Consolidated Income Statement ended as of September 30 2019:
  - decrease in 'Raw materials and services': Euro 37,4 million;
  - increase in 'Depreciation of PP&E': Euro 2,2 million;
  - increase in 'Depreciation of Fleet': Euro 29,9 million;
  - increase in 'Financial expenses': Euro 7 million.

7.2 Notes on the main items of the condensed consolidated statement of financial position

7.2.1 Property, plant and equipment

The changes in Property, plant and equipment were as follows:

(Euro Thousands)	January 01, 2019	IFRS 16 Adoption	Change in consolidation perimeter	Increase	Decrease	Depreciation	Reclassification	September 30, 2019
Property, plant and equipment	36,177	-	2,495	2,636	(20)	(2,997)	(169)	38,122
Right of use, assets held under leasing (IFRS 16)	-	7,488	2,248	874	-	(2,201)	-	8,409
Property, plant and equipment	**36,177**	**7,488**	**4,743**	**3,510**	**(20)**	**(5,198)**	**(169)**	**46,531**

With reference to the ‘Right of use, assets held under leasing’, the amount registered at the adoption comprises the right of use of vehicles and property (e.g. offices and guest house for employees).

Property plant and equipment investments for the period are mainly ascribable to: *i*) further planning fees and other fees paid by the subsidiary Andy to Portoferraio municipality for the building complex located on the Elba Island of Euro 1,215 thousand; *ii)* new projects related to the fleet of Euro 306 thousand; *iii)* hardware and electronic equipment bought by the Parent Company and the subsidiaries, of Euro 310 thousand *iv)* further works on property and offices incurred by the Parent Company of Euro 470 thousand.

7.2.2 Fleet

The changes in the company fleet during the period were as follows:

(Euro Thousands)	January 01, 2019	IFRS 16 Adoption	Increase	Decrease	Depreciation	Reclassification	September 30, 2019
Ferries	615,719	-	37,807	(6,510)	(38,778)	170	608,408
Tugboats	6,493	-	8,438	(46)	(1,961)	-	12,924
Ferries - Right of use, assets held under leasing (IFRS 16)	-	128,551	38,527	-	(29,947)	-	137,132
Fleet	**622,212**	**128,551**	**84,772**	**(6,556)**	**(70,686)**	**170**	**758,463**

With reference to the ‘Right of use, assets held under leasing’, the amount registered at the adoption comprises the right of use of the vessels previously recognised as ‘Unit under operating lease’: “Eurocargo Catania”, “Eurocargo Sicilia”, “Lucchesi”, “Ariadne”, “Alf Pollak”, “Massimo Mura”, “Eliana Marino”, “Moby Dada”, “Anastasia” and “Giuseppe Rum”.
In 2019, the increase is represented by the right of use of the m/v “Maria Grazia Onorato” chartered by the company F.lli Onorato Armatori S.r.l. to the Group.

In the period, the operating activity of fleet management brought investments of Euro 46,245 thousand, mainly due to:

- Euro 12,540 thousand for cyclical maintenance of ferries;
- Euro 19,720 thousand for extraordinary maintenance, as follows: Euro 3,644 thousand for the renovation of the passenger common areas, Euro 12,210 thousand for structural maintenance on mechanical parts, engines and compliance due to the SOLAS regulations, Euro 3,862 thousand for structural upgrades to safety equipment and Euro 4 thousand for silicone hull treatments;
- Initial refitting operations carried out on vessels and purchase and installation of specific plants that reduce polluting emissions (scrubbers), allowing use of the current fuel on the m/v “Maria Grazia Onorato for a total of Euro 5,492 thousand;
- Euro 7,290 thousand as final price of the tugboat called “Vincenzino O.”, delivered in July 2019;
- Euro 1,148 thousand for investing activity in the tugboats fleet.

In February CIN sold the m/v “Aurelia”, for a sale price of Euro 6,000 thousand, cost of sales of Euro 60 thousand and obtaining a net capital gain of Euro 4,759 thousand.

In March CIN sold the m/v “Puschmann”, for a sale price of Euro 12,950 thousand, cost of sales of Euro 393 thousand and obtaining a net capital gain of Euro 9,906 thousand.

In March, San Cataldo sold the tugboat “Barletta”, for a sale price of Euro 20 thousand, obtaining a net capital loss of Euro 26 thousand.

In July CIN sold the m/v "Barbara Krahulik", for a sale price of Euro 12,650 thousand, cost of sales of Euro 256 thousand and obtaining a net capital gain of Euro 9,717 thousand.

7.2.3 Goodwill

Goodwill comes from the acquisition of the subsidiaries and results from business combinations. Compared to December 31, 2018 there is an increase of Euro 9,794 thousand which arises from the first consolidation of the new subsidiary Porto di Livorno 2000. Based on the revised IFRS 3, the Group opted for the valuation period (that will not exceed one year from the acquisition date), and provisionally accounts for the surplus of the consideration transferred over the net book value at the acquisition date of the identifiable acquired assets and assumed liabilities of Porto di Livorno 2000 as goodwill.

In the explanatory notes to the 2018 Financial Statements, the Group outlined that the business plan approved by the Board of Directors of the Parent Company for the period 2019-2021 (base scenario and alternative scenario), had been subject to an Independent Business Review by a leading consulting company (PricewaterhouseCoopers). This business plan was also the basis for the identification by management of the relevant cash flows for the purposes of the annual verification impairment test and any corresponding reduction in value. The interim financial statements for the nine-month period to 30 September 2019 do not include any changes in this regard.
Any potential debt restructuring process which may be undertaken by the Parent Company after 30 September 2019 could lead to a change to the 2019-2021 business plan. At present, however, as the restructuring process has just begun, it is not possible for the Parent Company to predict what effect, if any, a restructuring process may have on the underlying assumptions to the business plan. In addition, it is not possible for the Company to predict what effect any such process may have on the Parent Company's equity deriving from the impairment test carried out on the basis of a future modified business plan.

7.2.4 Other intangible assets

The net change in the balance of this item for the period is mainly due to the result of ordinary investment trends (Euro 1,037 thousand, such as licences and software) and amortisation.

7.2.5 Other non-current and current financial assets

The current and non-current components of 'Other financial assets' include the fair value of the investments held by the Group and financial receivables as follows:

(Euro thousand)	September 30, 2019	December 31,2018
Other securities	28	27
Current financial assets	2	70
Liquid funds subject to an attachment order	2,000	4,000
Other current financial assets	**2,030**	**4,097**

(Euro thousand)	September 30, 2019	December 31,2018
Other investments	2,093	2,093
Non-current financial receivables	2,233	1,048
Other non-current financial assets	**4,326**	**3,141**

7.2.5 Trade receivables

Trade receivables as of September 30, 2019 can be broken down by type of customers as follows:

(€ thousands)	September 30, 2019	December 31, 2018
Trade receivables- Freight division	56,199	50,588
Trade receivables- Tugboats division	5,344	3,590
Receivables due from travel agencies	4,526	2,460
Receivables for port management	8,050	2,428
Receivables due from Catering services	144	99
Receivables due in respect of government grants	-	605
Other	6,892	7,134
Trade receivables	**81,155**	**66,904**

7.2.6 Other receivables

Details of other current receivables as of September 30, 2019 are shown in the table below:

(Euro thousand)	September 30, 2019	December 31,2018
Tax credits	12,362	9,780
Prepayments of insurance premiums	4,295	1,397
Receivables for insurance compensation	32	1,899
Receivables due from employee	231	439
Advances to suppliers	6,519	7,679
Insurance/ pensions agencies	129	97
Security deposits	2,085	1,723
Other	23,838	18,699
Assets from commodity swap derivative instruments	62	-
Other receivables	**49,553**	**41,713**

The adoption of IFRS 16 impacted the figures at 30 September 2019, by reducing receivables by Euro 9,467 thousand, mainly due to the reverse of the advance hire payments paid for the long-term charters "Anastasia", "Moby Dada", "Alf Pollak" and "Maria Grazia Onorato", previously accounted in 'Other'.

The increase of 'Other receivables' is mainly due to the second advance payment for Euro 10,077 thousand to lease two RoPax vessels being built paid by the Parent Company to F.lli Onorato Armatori S.r.l. (accounted in 'Other') as well as prepayments of insurance premiums.

'Assets from commodity swap derivative instruments' refers to the positive fair value of the derivatives for hedging against the risk of changes in fuel prices.

7.2.7 Share capital and reserves

The detail of the movements of the period is presented in the statement of changes in equity.

Details of the composition of the Share Capital and Reserves are given in the table below:

(Euro thousand)		September 30, 2019	December 31, 2018
Share capital		36,192	36,192
	Legal reserve	*4,580*	*4,580*
	Share premium reserve	*27,596*	*27,596*
	Other reserves	*(166)*	*(191)*
	FTA Reserve	*2,841*	*1,978*
	Cash flow hedge reserve	*57*	*(295)*
	Retained earnings	*18,810*	*81,910*
Reserves		53,718	115,579
Share capital and reserves		**89,910**	**151,771**

The changes in the cash flow hedge reserve for fuel cost swaps relating to the Parent Company are as follows:

(Euro thousand)	Gross amount	Tax effect	Net amount
Opening balance of cash flow hedge reserve as of December 31, 2018	**(323)**	**29**	**(295)**
Effectiveness measured during the period	1,589	(141)	1,448
Effectiveness transferred to income statement	(1,203)	106	(1,097)
Closing balance of cash flow hedge reserve as of September 30, 2019	**63**	**(6)**	**57**

7.2.8 Provisions

The changes in this item as of September 30, 2019 are as follows:

(Euro thousands)	
December 31, 2018	**8,264**
Change in consolidation perimeter	1,203
Accruals	312
Utilizations	(1,800)
September 30, 2019	**7,980**

7.2.9 Long-term borrowings and short-term borrowings and current portion of long-term borrowings

The detailed breakdown of long-term financial liabilities is as follows:

(Euro thousand)	*Companies of the group*	September 30, 2019	of which current portion	December 31, 2018	of which current portion
Senior Facilities Agreement	*Moby*	97,937	97,937	148,088	148,088
Unicredit – m/n Agata	*Enermar*	-	-	68	68
Sardaleasing S.p.A. - Property leasing	*Sinergest*	-	-	921	43
Ge Capital	*Moby*	-	-	59	59
Alphera	*Moby*	-	-	97	42
Unicredit Leasing	*Moby*	-	-	3,343	545
Fraer Leasing	*LTM*	-	-	166	146
Cassa di Risparmio Volterra	*Renzo Conti*	22	22	88	88
De Lage Landen Intern.	*CPS*	-	-	796	158
Total medium-to long term financings		**97,959**	**97,959**	**153,626**	**149,237**
Less current portion		(97,959)		(149,237)	
Total non-current financial liabilities		**-**		**4,389**	

The amount of the financial debt existing on the date is equal to Euro 97,937 thousand; in 2019, the third instalment of Euro 50,000 thousand was paid.
As of December 31, 2018, the Senior Facilities Agreement payable was reclassified as current following noncompliance with the financial covenants. Following the amendment agreement signed with the Lenders in April 2019, the financial covenants were amended and the debt continues to be repayable as envisaged in the Senior Facilities Agreement. As of June 30 2019, the non-current portion has been reclassified in 'Long-term borrowings' in accordance with the accounting standards. The Parent Company was required under the Senior Facilities Agreement in connection with the testing of the financial covenants at June 30, 2019 to deliver a compliance certificate by October 31, 2019. Due to the failure of the security agent to release the security over the 'Moby Aki' and 'Moby Wonder' vessels in accordance with the finance documentation and the subsequent termination of the Vessel Sale Agreement, the Parent Company did not deliver the compliance certificate. If the security agent had released the security as requested, the Parent Company would have delivered the compliance certificate on time in accordance with the terms of the Senior Facilities Agreement. The Parent Company is currently engaged in discussions with the lenders under the Senior Facilities Agreement.
Following the adoption of IFRS 16, the liability of "Sardaleasing S.p.A", "Alphera", "Unicredit Leasing", "Fraer Leasing" and "De Lage Landen International" were classified as 'Lease liabilities', refer to Note 7.2.11.

The breakdown of the heading 'Short-term borrowings and current portion of long-term borrowings' as of September 30, 2019 is as follows:

(Euro thousand)	September 30, 2019	December 31, 2018
Current portion of medium-and long-term financing	97,959	149,237
Use of credit lines and other short-term financial liabilities		
Guaranteed revolving credit line - Pool	58,967	58,233
Assignment with recourse of the consideration under the agreement - Banca Sistema	6,978	69,778
Other use of credit lines	7,473	6,116
Bank loans and borrowings and current portion of medium and long-term financing	**171,377**	**283,364**

For more details about the operations that occurred on the financial structure of the group, see paragraphs 'Net financial indebtedness and Cash Flow Analysis'.

7.2.10 Other current and non-current financial liabilities

The table below show the breakdown of Other current and non-current financial liabilities:

(Euro thousand)	September 30, 2019	December 31, 2018
Senior Secured Notes	272,366	279,135
Debt due to Tirrenia A.S.		
- Deferred price	65,000	65,000
Other financial loan	2,750	-
Other non-current financial liabilities	**340,116**	**344,135**
Senior Secured Notes	22,046	22,550
Debt due to Tirrenia A.S.		
- Deferred price	115,000	115,000
Other financial loan	700	-
Other current financial liabilities	**137,746**	**137,550**

'Other financial loan' current is mainly related to a financial payable of Porto di Livorno 2000 against minority shareholders whereas the 'Other financial loan' non current for Euro 2,750 thousand refers to the loan of Livorno Terminals S.r.l against non-controlling shareholders for the acquisition of Porto di Livorno 2000.

For more details about the operations that occurred on the financial structure of the Group, see paragraphs 'Net financial indebtedness and Cash Flow Analysis'.

7.2.11 Lease liabilities

The table below shows the breakdown of current and non-current lease liabilities:

(Euro thousand)	*Companies of the group*	September 30, 2019	of which current portion
Sardaleasing S.p.A. - Property leasing	*Sinergest*	889	44
Alphera	*Moby*	66	66
Unicredit Leasing	*Moby*	2,925	555
Fraer Leasing	*LTM*	57	57
De Lage Landen Intern.	*CPS*	664	147
Charter of Vessels (operating lease ex IAS17)	*Diversi*	128,612	30,197
Office and property (operating lease ex IAS17)	*Diversi*	7,494	2,756
Vehicles (operating lease ex IAS17)	*Diversi*	1,144	482
Total Lease Liabilities		**141,851**	**34,304**
Less current portion		(34,304)	
Total Non-current Lease Liabilities		**107,547**	

7.2.12 Trade payables

The detailed breakdown of trade payables as of September 30, 2019 by type of supplier is as follows:

(Euro thousands)	September 30, 2019	December 31, 2018
Purchase of fuels	15,778	27,785
Maintenance	24,271	25,120
Operating costs	42,568	37,735
Insurance	7,989	4,345
Agency fees	931	202
Advertising	3,125	1,431
General expenses	7,891	13,655
Trade payables	**102,553**	**110,272**

7.2.13 Other current liabilities

The detailed breakdown of Other current liabilities as of September 30, 2019 is as follows:

(Euro thousand)	September 30, 2019	December 31,2018
Debts for other taxes	4,485	4,644
Debts due to social security agencies	4,612	5,036
Debts to employees	13,070	10,554
Debts due to shareholders for dividends	1,128	640
Deferred income	6,736	7,017
Prepayments of government grants	16,234	8,330
Advances	458	532
Liabilities from commodity swap derivatives instruments	-	449
Other	1,731	2,549
Other current liabilities	**48,453**	**39,751**

At 30 September 2019, 'Prepayments of government grants' includes the prepayment accounted by CIN related to the consideration deriving from the subsidy paid by the Italian State to carry out the public interest maritime transportation with major and minor islands, Sardinia, Sicily, and Tremiti Islands; at 31 December 2018 the item was mainly referred to the consideration invoiced in December by the subsidiary Toremar to the Tuscany Region.
The decrease of 'Liabilities from commodity swap derivatives instruments' is related to the market variation of the fair value of derivative instruments signed by the Parent Company Moby for hedging against the risk of changes in fuel prices.

7.2.14 Taxes

The tables below shows the amount of Income taxes for the period ended September 30, 2019 compared to September 30, 2018 and the amount of deferred tax assets and deferred tax liabilities as of September 30, 2019 compared to December 31, 2018.

(Euro thousand)	Nine months ended September 30,	
	2019	2018
Income taxes	(6,292)	(4,866)

The amount of income taxes derives from net effect of current taxes and deferred taxes. The income taxes recognised are entirely related to income generated in Italy, with the exception of the fiscal contribution of the subsidiary Moby Lines Europe GmbH.

(Euro thousand)		
	September 30, 2019	December 31, 2018
Deferred tax assets	4,839	4,752
Deferred tax liabilities	9,413	9,017

8. Segment information

The Moby Group is organised into the Ferries, Tugboats, Port Management / Operation Services (Olbia, Livorno and Catania) and Baltic Cruises Strategic Business Units, identified on the basis of the nature of the services and products supplied.

	Six months ended June 30, 2019							
Euro thousands	**Ferries Moby Group**	**Ferries CIN**	**Tugboats**	**Port Management Sercices**	**Baltic cruises**	**Other**	**Elimination**	**Total**
Income from third parties	179,275	271,959	15,015	21,044	14,013			**501,306**
Infra-group income (income adjustment)	19,172	1,908	1,719	12,000	-		(34,799)	**-**
Total revenue	**198,447**	**273,867**	**16,734**	**33,044**	**14,013**	**-**	**(34,799)**	**501,306**
Depreciation, provisions and write downs	(27,920)	(43,372)	(1,747)	(3,462)	(3,049)		-	**(79,550)**
Operating costs	(168,676)	(142,170)	(11,195)	(21,223)	(6,139)	-	-	**(349,403)**
Infra-group income (expense)	(3,532)	(27,700)	1	301	(3,869)		34,799	**-**
Operating profit (loss)	**(1,681)**	**60,624**	**3,793**	**8,660**	**957**	**-**	**-**	**72,353**
Financial income	34	-	1	14	-	162	-	**211**
Financial expenses	(601)	(7,071)	(0)	(220)	(641)	(26,828)	-	**(35,362)**
Profit before taxes	**(2,249)**	**53,553**	**3,794**	**8,455**	**315**	**(26,666)**	**-**	**37,202**
Taxes							-	(6,292)
Net Profit (loss)								**30,910**

	Nine months ended September 30, 2018							
Euro thousands	**Ferries Moby Group**	**Ferries CIN**	**Tugboats**	**Port Management Services**	**Baltic cruises**	**Other**	**Elimination**	**Total**
Income from third parties	185,453	255,312	14,878	10,303	12,897			**478,843**
Infra-group income (income adjustment)	35,686	5,259	1,486	14,091	-		(56,522)	**-**
Total revenue	**221,139**	**260,571**	**16,364**	**24,394**	**12,897**	**-**	**(56,522)**	**478,843**
Depreciation, provisions and write downs	(26,263)	(18,461)	(1,499)	(1,019)	-		-	**(47,242)**
Operating costs	(172,425)	(201,941)	(11,226)	(17,375)	(9,262)	-	-	**(412,230)**
Infra-group income (expense)	(4,034)	(49,059)	(5)	486	(3,910)		56,522	**-**
Operating profit (loss)	**18,416**	**(8,890)**	**3,635**	**6,485**	**(275)**	**-**	**-**	**19,371**
Financial income	491	77	-	-	-	92	-	**661**
Financial expenses	(227)	(198)	(2)	(58)	(46)	(27,305)	-	**(27,836)**
Profit before taxes	**18,681**	**(9,011)**	**3,633**	**6,428**	**(321)**	**(27,213)**	**-**	**(7,804)**
Taxes							-	(4,866)
Net Profit (loss)								**(12,669)**

The decrease of "Infra-group income" in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018 is mainly due to the first time adoption of the new standard IFRS 16 that required the elimination of rental fees of operating leases over a year term.

9. Related parties transactions

Sales, purchases and services between related parties are carried out under normal market conditions and are part of the Company's ordinary operating activities.
The tables below provide details of the financial and capital transactions with related parties.
With reference to Directors, the amounts presented are related to the Moby S.p.A. board of directors.

(€ thousands)	Period ended September 30, 2019			
Related parties transactions	Consumption of raw materials and services	Personnel costs	Financial expense	Financial income
Directors' fees	(2,888)	(1,138)	-	15
Directors' fees (close family)	-	(480)	(27)	-
iBirbanti	(16)	-	-	-
Unione Sportiva Lecce	(75)	-	-	-
Mascalzone Latino	(929)	-	-	-
Studio Carnevale Cimmino De Filippis	(1,171)	-	-	-
F.lli Onorato Armatori	-	-	(2,776)	-
ICO 2006	(156)	-	-	-
Total	**(5,234)**	**(1,618)**	**(2,803)**	**15**
Consolidated Total	**(276,164)**	**(101,365)**	**(35,362)**	**211**
% incidence	*1.9%*	*1.6%*	*7.9%*	*7%*

Financial expense against F.lli Onorato Armatori refers to the first time adoption of the new standard IFRS 16 that required the recognition of implicit interest expenses on lease liabilities.

(€ thousands)	September 30, 2019							
Related parties transactions	Non-current financial assets	Trade receivables	Other receivables and other current assets	Trade payables	Other current - non current liabilities	Current Lease liabilities	Non-current Lease liabilities	Provisions for employee benefits
Directors' fees	1,063	12	4,750	124	205	-	-	85
Directors' fees (close family)	-	-	-	-	57	84	428	11
iBirbanti	-	-	-	-	-	-	-	-
Unione Sportiva Lecce	-	-	-	-	-	-	-	-
Mascalzone Latino	-	-	75	1	-	-	-	-
Studio Carnevale Cimmino De Filippis	-	-	-	364	-	-	-	-
F.lli Onorato Armatori		289	16,264	-	-	7,203	56,372	-
ICO 2006	-	-	-	28	-	-	-	-
Total	**1,063**	**300**	**21,089**	**517**	**262**	**7,287**	**56,800**	**96**
Consolidated Total	**4,326**	**81,155**	**51,583**	**102,553**	**48,453**	**34,304**	**107,547**	**4,812**
% incidence	*24.6%*	*0.4%*	*40.9%*	*0.5%*	*0.5%*	*21.2%*	*52.8%*	*2.0%*

'Other receivables' against F.lli Onorato includes the advance payment to lease two RoPax vessels being built. 'Lease liabilities' current and non-current arise from the first time adoption of the new standard IFRS 16.

The table below summarises the transactions carried out by the Group with the associates Terminal Traghetti Napoli S.r.l. and Saradecals.

(€ thousands)	Period ended September 30, 2019		As of September 30, 2019
	Consumption of raw materials and services	Capitalized costs	Trade payables
Saradecals S.r.l.	(43)	2	5
Terminal Traghetti Napoli S.r.l.	(1,948)	-	1,376
Total	**(1,991)**	**2**	**1,381**

The transactions carried out towards Terminal Traghetti Napoli S.r.l. arise from the use of the Naples harbour by the subsidiary CIN.

10. Commitments and guarantees /securities

The Group has provided guarantees in connection with the Senior Facilities Agreement and the Senior Secured Notes consisting of:

- a pledge on the shares of the subsidiary CIN and the Parent Company;
- a pledge on certain bank accounts of the subsidiary CIN and the Parent Company;
- first and second ranking mortgages on the ships of the subsidiary CIN and the Parent Company and on tugboats of the Parent Company;
- Pre-emption rights over receivables vis-à-vis subsidiaries and insurance claims of the controlling entity;
- Pre-emption rights over receivables vis-à-vis insurance claims of the subsidiary CIN.

As a guarantee of the obligations deriving from the agreement (“Convenzione”) with the Italian State, the subsidiary CIN has granted a surety in favour of the Ministries involved for a residual amount at the date of these financial statements equal to Euro 2,2 million.
The Group issued a surety of Euro 6,7 million to guarantee the obligations arising from the Convenzione with Tuscany region.
Finally, with respect to the acquisition of the subsidiary Toremar in 2012, the Parent Company issued a surety of Euro 9,8 million.

In connection with the administrative penalty issued in March 2018 by the Antitrust Authority for alleged conduct representing abuse of a dominant position jointly and severally by Moby and its subsidiary CIN, the two companies provided a guarantee, up to the amount of the penalty, of Euro 29,203 thousand.

With reference to two new RoPax vessels so-called “New Ships” with delivery scheduled in 2021 and 2022, in January 2019 the Parent Company following a private agreement with F,lli Onorato Armatori S,r,l,, was obliged to pay additional charters equalling: *i)* Euro 10,077 thousand in 2019; *ii)* Euro 30,232 thousand in 2020; and *iii)* Euro 5,039 thousand in 2021, at the same time as the delivery set for the first vessel.

As shown in December financial statements, as of September 2019 the Group assumes commitments related to:

– registration in the Italian Naval Register (Rina);
– license contract for the exploitation of the copyrights and trademarks related to some “Looney Toons” characters, signed with Warner Bros Entertainment Italia S.p.A.;
– public land leasing concessions for the management of the ‘Isola Bianca’ cruise terminal at the port of Olbia and for the management of the ‘Darsena n. 1’ at the port of Livorno;
– concessions for the conduct of port operations;
– operating rental contracts for a number of electronic machines and vehicles;
– the chartering whose lease term is less than 12 months and, consequently, not included in first application of IFRS 16 is the chartering of the vessel “Pauline Russ” by the subsidiary CIN, with a projected total commitment of Euro 1,188 thousand for the next 12 months.