

doValue

Reports and Financial Statements of the Company 2023

doValue

REPORTS AND FINANCIAL STATEMENTS OF THE COMPANY

This document has been prepared in PDF format in order to facilitate readers of the financial statements. This document is a supplementary variant of the official version compliant with the provisions of Commission Delegated Regulation (EU) 2019/815 (the ESEF Regulation - European Single Electronic Format) available on the Company's website and at the authorized storage mechanism "eMarket STORAGE".

Registered office: Viale dell'Agricoltura, 7 - 37135 Verona
Share capital € 41,280,000.00 fully paid-up

Parent Company of the doValue Group
Registered in the Company Register of Verona, Tax I.D. no. 00390840239 and VAT registration no. 0265994023
www.dovalue.it



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Governing and control bodies

BOARD OF DIRECTORS

Chairman

GIOVANNI CASTELLANETA ⁽²⁾

CEO

MANUELA FRANCHI

Directors

FRANCESCO COLASANTI ⁽²⁾

GIOVANNI BATTISTA DAGNINO ⁽⁴⁾

CRISTINA FINOCCHI MAHNE ⁽³⁾

NUNZIO GUGLIELMINO ⁽¹⁾

GIUSEPPE RANIERI

ROBERTA NERI ⁽⁴⁾

MARELLA IDI MARIA VILLA ⁽²⁾

ELENA LIESKOVSKA ⁽²⁾

BOARD OF STATUTORY AUDITORS

Chairman

NICOLA LORITO ⁽⁶⁾

Statutory Auditors

FRANCESCO MARIANO BONIFACIO ⁽⁶⁾

CHIARA MOLON ⁽⁵⁾

Alternate Auditors

SONIA PERON

MAURIZIO DE MAGISTRIS

AUDIT FIRM

EY S.p.A.

Financial Reporting Officer

DAVIDE SOFFIETTI

At the date of approval of this document

(1) Chairman of the Appointments and Remuneration Committee

(2) Member of the Appointments and Remuneration Committee

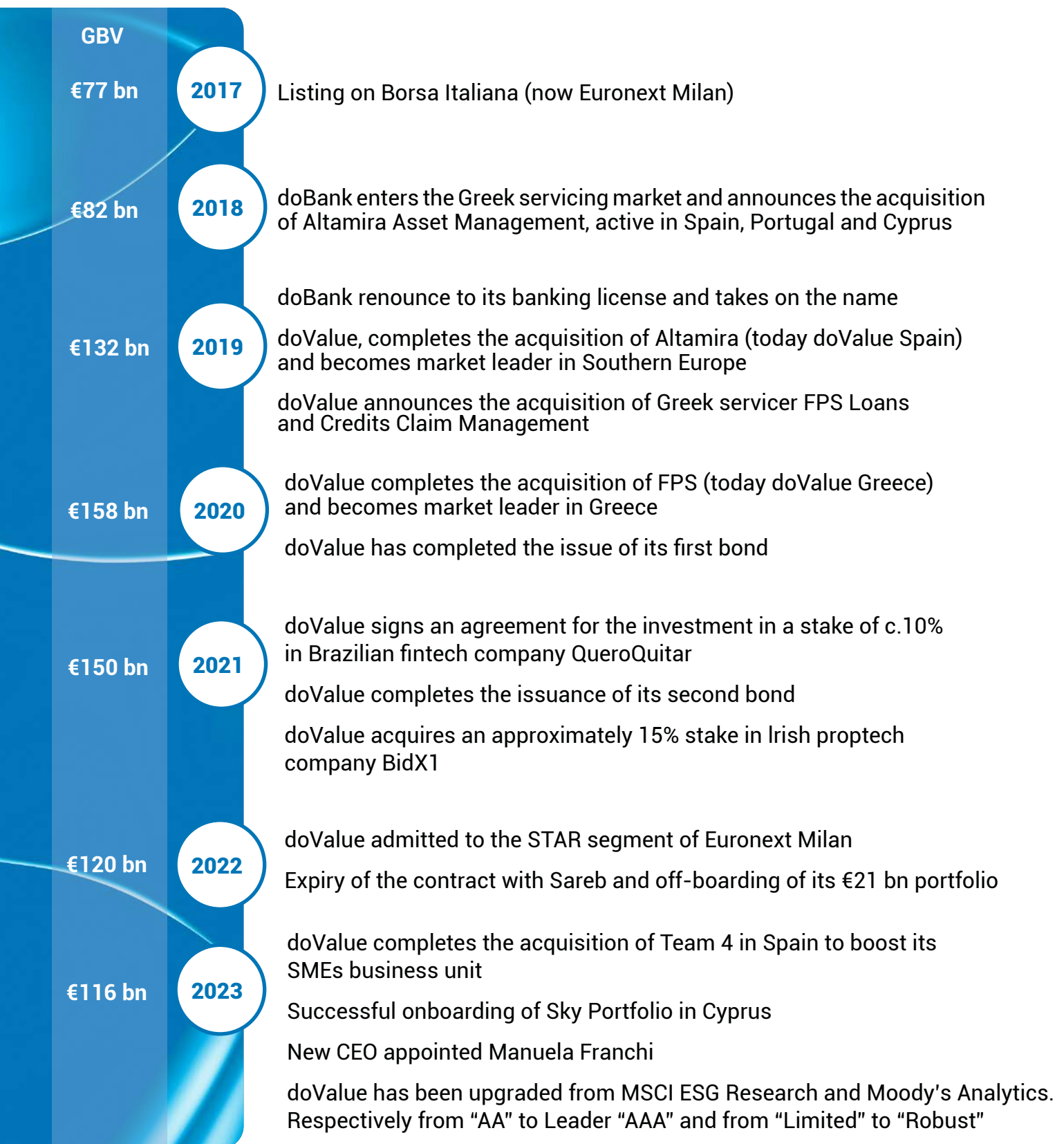
(3) Chairman of the Risks, Related Party Transactions and Sustainability Committee

(4) Member of the Risks, Related Party Transactions and Sustainability Committee

(5) Chairman of Supervisory Committee, pursuant to Italian Legislative Decree 231/2001

(6) Member of Supervisory Committee, pursuant to Italian Legislative Decree 231/2001

doValue: a story of growth and diversification



DIRECTORS' REPORT

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

The Company's business

€116^{bn}

IN ASSET
UNDER MANAGEMENT

RATING

RSS1- / CSS1-

FITCH RATINGS

STRONG

STANDARD & POOR'S

doValue provides services to banks and investors over the entire life cycle of loans and real estate assets.

doValue's services are remunerated under long-term contracts based on a fee structure that includes fixed fees based on the volume of assets under management and variable fees linked to the performance of servicing activities, such as collections from NPL receivables or the sale of customers' real estate assets or the number of real estate and business information services provided; in the context of the same activity, ancillary services may also be offered, the remuneration of which is linked to the type of service provided.

The Company provides services, also through its subsidiaries, in the following categories:

NPL Servicing	The administration, management and recovery of loans utilising in-court and out-of-court recovery processes for and on behalf of third parties for portfolios mainly consisting in non-performing loans. Within its NPL Servicing operations, doValue focuses on corporate bank loans that are of medium-large size and have a high proportion of real estate collateral
Real Estate Servicing	The management of real estate assets on behalf of and under mandate from third parties, including: (1) real estate collateral management, i.e., activities to develop or sell, either directly or through intermediaries, real estate assets owned by customers originally used to secure bank loans, (2) Real estate development, i.e., the analysis, implementation and marketing of real estate development projects involving assets owned by customers, and (3) Property management, i.e., supervision, management and maintenance of customers' real estate assets, with the aim of maximising profitability through sale or lease
UTP Servicing	Administration, management and restructuring of loans classified as unlikely-to-pay on behalf of third parties, with the aim of returning them to performing status; this activity is primarily carried out by the doNext subsidiaries, pursuant to Art. 106 of the Consolidated Banking Act (financial intermediary) and doValue Greece, pursuant to Greek Law 4354/2015 (NPL Servicer under the license and supervision of the Bank of Greece)

Early Arrears e performing loans servicing	The management of performing loans or loans past due by less than 90 days, not yet classified as non-performing, on behalf of third parties
Ancillary Services	These include: (1) Due Diligence: services for the collection and organisation of information in data room environments and advisory services for the analysis and assessment of loan portfolios for the preparation of business plans for Collection and Recovery activities; (2) Master Servicing and Structuring: administrative, accounting, cash management and reporting services in support of receivables securitisation vehicles (2) Master Servicing and Structuring, i.e., administrative, accounting, cash management and reporting services in support of the securitisation of loans; structuring services for securitisation transactions, as well as performing the role of "authorised entity" in securitisation transactions, and (3) Master Legal, i.e., activities relating to the management of legal proceedings at all levels in relation to loans, mainly non-performing receivables, managed by doValue on behalf of third parties

doValue, in its capacity as Special Servicer, has received the following ratings confirmed in February 2022: **"RSS1-/CSS1-"** by Fitch Ratings, and **"Strong"** by Standard & Poor's, which are the highest ratings assigned to Italian operators in the sector. They have been assigned to the two companies since 2008 before any other operator in this sector in Italy. doNext, as a Master Servicer, received an MS2+ rating from Fitch Ratings in February 2022, which is an indicator of high performance in overall Servicing management capability.

In July 2020, doValue received the Corporate credit rating **BB with "Stable" outlook** from Standard & Poor's and Fitch.

This rating has been confirmed by both agencies in relation to doValue's senior bonds, issued with an original nominal value of €265.0 million and €300.0 million with maturity in 2025 and 2026, respectively. The rating was confirmed in June 2023 by both Fitch and Standard & Poor's, both with **"Stable"** outlook.

Macroeconomic environment

European banks are currently enjoying the benefits of exceptionally high interest rates, which have led to a notable increase in net interest margins. Despite the ongoing deterioration in the macroeconomic environment and high interest rates putting pressures on households and SMEs, the cost of risk for European banks has surprisingly remained at historical lows. This scenario, coupled with a low NPE ratio resulting from an extensive de-risking process throughout Southern Europe carried out in the previous years, has created a challenging landscape for debt servicers and purchasers, marked by a shrinking pipeline for primary deals.

Despite these challenges, the economic forecast for Europe remains cautious, with modest GDP growth, a looming commercial real estate crisis, and a rise in bankruptcies, particularly among SMEs. The Bank of Italy anticipates a decline in credit quality over the next two years. In this context, the governor of the Bank of Italy has emphasized the crucial role of credit servicers in maintaining a robust banking and economic system. Meanwhile, large Spanish banks are managing €71 billion in non-performing loans (NPLs) on their balance sheets, a 2.3% year-over-year increase compared to 2022. Greece is experiencing strong positive GDP growth, yet banks are still in the midst of their de-risking processes.

In light of this situation, doValue estimates the pipeline of potential servicing mandates for next 18 months across Southern Europe at approximately €40 billion, including secondary transactions. However, any further delays in anticipated primary transactions could challenge a return to growth in 2024. To address this, the company has adopted a flexible cost structure and plans to make additional adjustments to safeguard profitability and cash generation.

More broadly, doValue's activities are supported by a substantial and contractual long-term GBV and are buoyed by external, favourable medium to long-term trends. These include the enforcement of strict regulations by banks for loan recognition (IFRS 9, Calendar Provisioning, Basel IV), which encourage a proactive approach to balance sheet management.

Main Highlights

The tables below show the main economic and financial data of doValue extracted from the related management statements, which are subsequently represented in the section of the doValue Results as at December 31, 2023.

(€/000)

Key data of the income statement	12/31/2023	12/31/2022	Change €	Change %
Gross Revenues	141,129	167,705	(26,576)	(16)%
Net Revenues	121,037	149,444	(28,407)	(19)%
Operating expenses	(95,512)	(106,805)	11,293	(11)%
EBITDA	25,525	42,639	(17,114)	(40)%
EBITDA Margin	18%	25%	(7)%	(29)%
Non-recurring items included in EBITDA	(1,198)	(2,563)	1,365	(53)%
EBITDA excluding non-recurring items	26,723	45,202	(18,479)	(41)%
EBITDA Margin excluding non-recurring items	19%	27%	(8)%	(30)%
EBT	4,709	24,660	(19,951)	(81)%
EBT Margin	3%	15%	(11)%	(77)%
Profit (loss) for the period	(2,936)	19,471	(22,407)	(115)%
Profit (loss) for the period excluding non-recurring items	5,366	24,436	(19,070)	(78)%

(€/000)

Key data of the balance sheet	12/31/2023	12/31/2022	Change €	Change %
Cash and liquid securities	57,326	114,358	(57,032)	(50)%
Equity investments	400,939	374,429	26,510	7%
Property, plant and equipment	13,576	17,969	(4,393)	(24)%
Intangible assets	17,439	17,907	(468)	(3)%
Financial assets	198,720	198,475	245	0%
Trade receivables	80,191	84,066	(3,875)	(5)%
Tax assets	59,716	65,661	(5,945)	(9)%
Financial liabilities	635,297	626,768	8,529	1%
Trade payables	29,977	20,459	9,518	47%
Tax Liabilities	3,303	2,266	1,037	46%
Other liabilities	17,707	19,712	(2,005)	(10)%
Provisions for risks and charges	12,503	13,816	(1,313)	(10)%
Net Equity	129,214	190,190	(60,976)	(32)%

In order to facilitate an understanding of the performance and financial position, a number of alternative performance measures ("Key Performance Indicators" or "KPIs") have been selected by the Company and are summarised in the table below.

(€/000)

KPIs	12/31/2023	12/31/2022
Gross Book Value (EoP) - Italy	66,016,036	70,329,055
Collections of the period - Italy	1,398,098	1,634,745
LTM Collections / GBV EoP - Italy - Stock	2.5%	2.4%
Staff FTE / Total FTE	30.1%	31.3%
EBITDA	25,525	42,639
Non-recurring items (NRIs) included in EBITDA	(1,198)	(2,563)
EBITDA excluding non-recurring items	26,723	45,202
EBITDA Margin	18.1%	25.4%
EBITDA Margin excluding non-recurring items	19.0%	27.0%
Profit (loss) for the period	(2,936)	19,471
Non-recurring items included in Profit (loss) for the period	(8,302)	(4,965)
Profit (loss) for the period excluding non-recurring items	5,366	24,436
Capex	5,312	8,233
EBITDA - Capex	20,213	34,406
Net Working Capital	50,214	63,607
Net Financial Position	(357,102)	(305,698)

KEY

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

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

LTM collections Stock/GBV (Gross Book Value) EoP Stock: the ratio between total gross LTM collections on the Stock portfolio under management at the start of the reference year and the end-period GBV of that portfolio.

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

EBITDA and Profit (loss) for the period: together with other relative profitability indicators, they highlight changes in operating performance and provide useful information regarding the Company's financial performance. These data are calculated at the end of the period.

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

EBITDA and Profit (loss) for the period excluding non-recurring items: are defined as EBITDA and Profit (loss) for the period attributable to core operations, excluding all items connected with extraordinary operations such as corporate restructuring, acquisitions or disposals of entities, start-up of new businesses or entry into new markets.

EBITDA Margin: obtained by dividing EBITDA by Gross Revenues.

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

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

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

Capex: investments in property, plant, equipment and intangibles.

EBITDA – Capex: calculated as EBITDA net of investments in property, plant and equipment and intangibles. Together with other relative profitability indicators, it highlights changes in operating performance and provides an indication on the Company's ability to generate cash.

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

Net Financial Position: this is calculated as the sum of cash, cash equivalents and highly liquid securities, net of amounts due to banks and bonds issued.

Results as at December 31, 2023

The operating results for the year are reported on the following pages, together with details on the performance of the portfolio under management.

At the end of this Directors' Report, we have included a reconciliation between the management income statement reported below and the income statement provided in the financial statements section.



PERFORMANCE

(€/000)

Condensed Income Statement	12/31/2023	12/31/2022	Change €	Change %
Servicing Revenues:	107,882	138,015	(30,133)	(22)%
o/w: NPE revenues	107,882	138,015	(30,133)	(22)%
Co-investment revenues	1,274	1,507	(233)	(15)%
Ancillary and other revenues	31,973	28,183	3,790	13%
Gross revenues	141,129	167,705	(26,576)	(16)%
NPE Outsourcing fees	(6,535)	(7,629)	1,094	(14)%
Ancillary Outsourcing fees	(13,557)	(10,632)	(2,925)	28%
Net revenues	121,037	149,444	(28,407)	(19)%
Staff expenses	(74,277)	(83,606)	9,329	(11)%
Administrative expenses	(21,235)	(23,199)	1,964	(8)%
Total "o.w. IT"	(7,943)	(9,733)	1,790	(18)%
Total "o.w. Real Estate"	(1,315)	(1,634)	319	(20)%
Total "o.w. SG&A"	(11,977)	(11,832)	(145)	1%
Operating expenses	(95,512)	(106,805)	11,293	(11)%
EBITDA	25,525	42,639	(17,114)	(40)%
EBITDA margin	18%	25%	(7)%	(29)%
Non-recurring items included in EBITDA	(1,198)	(2,563)	1,365	(53)%
EBITDA excluding non-recurring items	26,723	45,202	(18,479)	(41)%
EBITDA margin excluding non-recurring items	19%	27%	(8)%	(30)%
Net write-downs on property, plant, equipment and intangibles	(13,278)	(11,777)	(1,501)	13%
Net provisions for risks and charges	(5,520)	(4,925)	(595)	12%
Net write-downs of loans	139	484	(345)	(71)%
EBIT	6,866	26,421	(19,555)	(74)%
Net income (loss) on financial assets and liabilities measured at fair value	(2,809)	(915)	(1,894)	n.s.
Financial interest and commissions	652	(846)	1,498	n.s.
EBT	4,709	24,660	(19,951)	(81)%
Non-recurring items included in EBT	(8,302)	(6,722)	(1,580)	24%
EBT excluding non-recurring items	13,011	31,382	(18,371)	(59)%
Income tax for the period	(7,645)	(5,189)	(2,456)	47%
Profit (Loss) for the period	(2,936)	19,471	(22,407)	(115)%
Non-recurring items included in Profit (loss) for the period	(8,302)	(4,965)	(3,337)	67%
Profit (loss) for the period excluding non-recurring items	5,366	24,436	(19,070)	(78)%

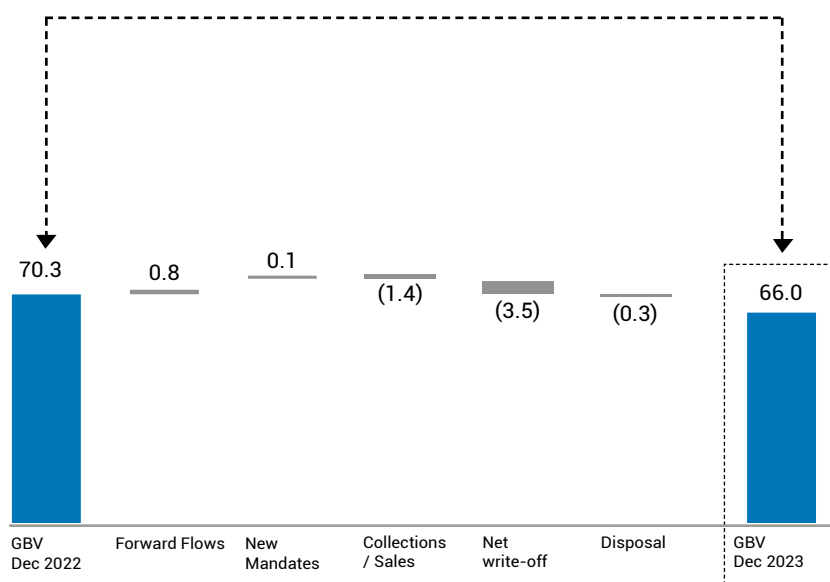
Portfolio under management

At the end of 2023, the portfolio under management (GBV) of doValue amounted to €66.0 billion, down by approximately 6% compared to the figure as at December 31, 2022 of €70.3 billion.

The main positive changes in 2023 are shown below:

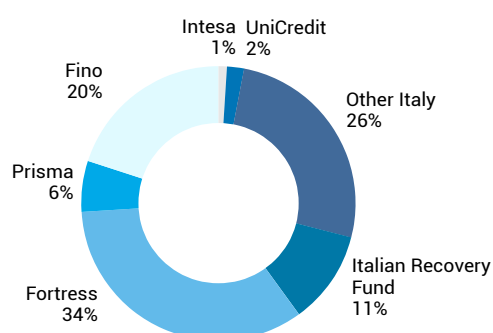
- new mandates from existing clients for €0.8 billion, from flow contracts with UniCredit,
- new mandates for a total of €0.1 billion referring to a portfolio managed by AMCO.

A reduction of GBV was recorded in the period, among other elements, due to transfers by a customer amounting to €0.3 billion.

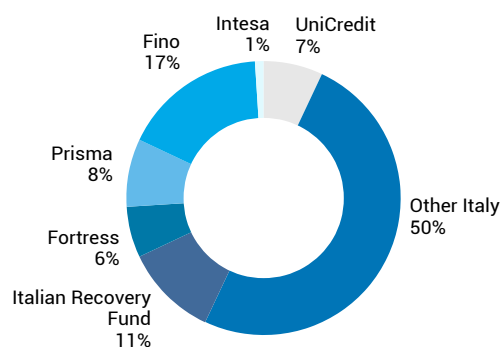


The following charts show the composition of the portfolio under management and the collections for the period.

GBV breakdown by Client



Collections breakdown by Client



In 2023 the proceeds of doValue S.p.A. amounted to €1.4 billion (€1.6 billion in 2022).

Performance

In 2023, the European economy showed signs of recovery after the pandemic, supported by stimulus policies and public investments, such as the one in Italy relating to the National Recovery and Resilience Plan. However, challenges such as high inflation, financial market volatility and uncertainty linked to the ECB's monetary policy persist. The transition to a green and digital economy continues to be a focal point, while trade and geopolitical tensions affect the economic landscape.

In this complex framework, doValue recorded **gross revenues** of €141.1 million, a decrease of 16% compared to €167.7 million in 2022.

Revenues from Servicing of **NPE assets**, equal to €107.9 million, show a decrease of 22% compared to 2022. Regarding NPLs, it should be noted that collections for the last 12 months as a ratio to end-of-period (EoP) gross book value (GBV), given by the indicator "LTM collections/GBV (EoP)", came to 2.5%, in line with the result in 2022. The ratio assumes the same value, equal to 2.5% also excluding the new mandates under management, ("LTM Stock/GBV Stock (EoP) Collections").

Co-investment revenues include the €1.3 million contribution (€1.5 million in 2022) from revenues on the ABS securities for the two securitisations Romeo SPV and Mercuzio Securitisation in which doValue holds 5%.

The contribution of **ancillary and other revenues** was more significant, amounting to €32.0 million (€28.2 million in December 2022), mainly originating from income from data processing and provision services and other services connected with servicing activities, such as due diligence and legal services.

These revenues represent 23% of the total gross revenues for the year and show an increase of 13% compared to the previous year.

(€/000)	12/31/2023	12/31/2022	Change €	Change %
NPE revenues	107,882	138,015	(30,133)	(22)%
Co-investment revenues	1,274	1,507	(233)	(15)%
Ancillary and other revenues	31,973	28,183	3,790	13%
Gross revenues	141,129	167,705	(26,576)	(16)%
NPE Outsourcing fees	(6,535)	(7,629)	1,094	(14)%
Ancillary Outsourcing fees	(13,557)	(10,632)	(2,925)	28%
Net revenues	121,037	149,444	(28,407)	(19)%

Net revenues decreased by around 19% to €121.0 million, compared to €149.4 million in the previous year.

NPE outsourcing fees fell by 14% to €6.5 million (€7.6 million in 2022), with a decrease in all perimeters as a result of lower collections through the external network.

Ancillary outsourcing fees amounted to €13.6 million compared to €10.6 million in 2022, an increase of 28%, which was more than proportional to the increase in related revenues, thus showing a lower overall margin.

Operating expenses of €95.5 million, including €1.2 million of non-recurring items, showed an overall decrease of 11% compared to the same period in 2022, when they stood at €106.8 million. More specifically, of the €11.3 million decrease, €9.3 million is attributable to staff expenses and €2.0 million to administrative expenses.

Staff expenses amounted to €74.3 million, therefore recording a decrease of around 11% compared to €83.6 million in the previous year. During 2023, the employee efficiency programme also included in the approved Business Plan continued.

As regards **administrative expenses**, these amounted to €21.2 million (compared to €23.2 million in 2022) with a decrease of approximately 9% due to the combined effect of lower IT costs (€1.8 million) and lower costs relating to Real Estate (€0.3 million) and higher general and administrative costs (€0.1 million).

(€/000)	12/31/2023	12/31/2022	Change €	Change %
Staff expenses	(74,277)	(83,606)	9,329	(11)%
Administrative expenses	(21,235)	(23,199)	1,964	(9)%
o.w. IT	(7,943)	(9,733)	1,790	(18)%
o.w. Real Estate	(1,315)	(1,634)	319	(20)%
o.w. SG&A	(11,977)	(11,832)	(145)	1%
Operating expenses	(95,512)	(106,805)	11,293	(11)%
EBITDA	25,525	42,639	(17,114)	(40)%
o.w. Non-recurring items included in EBITDA	(1,198)	(2,563)	1,365	(53)%
o.w. EBITDA excluding non-recurring items	26,723	45,202	(18,479)	(41)%

In line with previous reporting periods, operating costs for the year include a number of **non-recurring items** (NRIs), which are shown as adjustments to EBITDA to facilitate comparison between periods and the identification of structural profitability for doValue.

These non-recurring items amounted to €1.2 million (€2.6 million in 2022) and mainly refer to consultancy costs related to extraordinary transactions aimed at business development.

EBITDA excluding non-recurring items amounted to €26.7 million (€45.2 million in December 2022) with a margin of 19% on gross revenues, down from 27% in the comparative period.

Including non-recurring expenses, EBITDA was €25.5 million, down by 40% compared to €42.6 million reported in 2022.

The Company's **EBIT** stood at €6.9 million, compared to €26.4 million in the comparative period. **EBT** amounted to €4.7 million compared to €24.7 million recorded in the previous year.

This item includes the financial costs related to the two bond issues, the delta fair value related to the notes of the Cairo securitisations, the Romeo and Mercuzio SPV securities and Mexico and other minor items related to the accounting under IFRS 16.

(€/000)	12/31/2023	12/31/2022	Change €	Change %
EBITDA	25,525	42,639	(17,114)	(40)%
Net write-downs on property, plant, equipment and intangibles	(13,278)	(11,777)	(1,501)	13%
Net provisions for risks and charges	(5,520)	(4,925)	(595)	12%
Net write-downs of loans	139	484	(345)	(71)%
EBIT	6,866	26,421	(19,555)	(74)%
Net income (loss) on financial assets and liabilities measured at fair value	(2,809)	(915)	(1,894)	n.s.
Net financial interest and commissions	652	(846)	1,498	n.s.
EBT	4,709	24,660	(19,951)	(81)%

In addition to the non-recurring items within the EBITDA (€1.2 million), EBT includes additional non-recurring items for a total of €8.3 million mainly relating to costs for early retirement incentives (€4.1 million) and items linked to an arbitration in progress for the tax claim in Spain (€2.9 million).

Net write-downs on property, plant and equipment and intangibles amounted to €13.3 million, compared to €11.8 million recorded in the previous year.

The total balance includes the amortisation of rights of use deriving from the accounting of lease agreements pursuant to IFRS 16 for a total of €5.7 million (€5.6 million in 2022). The remainder of amortisation primarily concerns software licenses for technology investments made by the Company during the period and aimed at upgrading the IT platform.

Net provisions for risks and charges amounted to €5.2 million, compared to €4.9 million in 2022, and were mainly related to provisions for early retirement incentives, legal disputes and prudential provisions for receivables.

Net income (loss) on financial assets and liabilities measured at fair value recorded a negative result of €2.8 million and recorded an increase compared to the previous period of around €1.9 million, when the item was €0.9 million. This change is mainly attributable to the write-down of the notes of the Cairo securitisations and the units of the Italian Recovery Fund (formerly Atlante II) investment fund.

Net financial interest and commissions, positive for €0.6 million, show a positive change of €1.5 million compared to -€0.8 million in 2022. Therefore, the item in question reflects the cost related to the onerousness of the two bond issues serving the process of acquisitions carried out in Spain and Greece as implementation of the Group's internationalisation strategy and the dividends collected from subsidiaries (up by €0.8 million compared to 2022) and the interest income relating to current accounts and term deposits.

(€/000)

	12/31/2023	12/31/2022	Change €	Change %
EBT	4,709	24,660	(19,951)	(81)%
Income tax for the period	(7,645)	(5,189)	(2,456)	47%
Profit (Loss) for the period	(2,936)	19,471	(22,407)	(115)%
Non-recurring items included in Profit (loss)	(8,302)	(4,965)	(3,337)	67%
Profit (loss) for the period excluding non-recurring items	5,366	24,436	(19,070)	(78)%

Income tax for the period is quantified at €7.6 million compared to €5.2 million in 2022, by virtue of the negative effect of the change in deferred tax assets. Income taxes also include the accrued portion of the DTA charge of €1.6 million.

Profit (loss) for the period excluding non-recurring items amounted to €5.4 million, compared to €24.4 million in 2022. Including non-recurring items, **Profit (Loss) for the period** was equal to -€2.9 million, compared to €19.5 million in the previous year.

SEGMENT REPORTING

For Segment Reporting, reference should be made to the representation in the Consolidated Financial Statements of the doValue Group as at December 31, 2023, as the Group uses the Region as a dimension of analysis; for these Corporate Financial Statements, the representation corresponds to that reported in the Consolidated Financial Statements for Italy.

Financial Position

INTRODUCTION

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

At the end of this Directors' Report, in accordance with the same presentation approach for the income statement, we have included a reconciliation between the management balance sheet reported below and the schedule provided in the financial statement tables.

(€/000)

Condensed Balance Sheet	12/31/2023	12/31/2022	Change €	Change %
Cash and liquid securities	57,326	114,358	(57,032)	(50)%
Financial assets	198,720	198,475	245	0%
Equity investments	400,939	374,429	26,510	7%
Property, plant and equipment	13,576	17,969	(4,393)	(24)%
Intangible assets	17,439	17,907	(468)	(3)%
Tax assets	59,716	65,661	(5,945)	(9)%
Trade receivables	80,191	84,066	(3,875)	(5)%
Assets held for sale	10	10	-	n.s.
Other assets	4,611	4,900	(289)	(6)%
Total Assets	832,528	877,775	(45,247)	(5)%
Financial liabilities: due to banks/bondholders	562,628	564,084	(1,456)	(0)%
Other financial liabilities	72,669	62,684	9,985	16%
Trade payables	29,977	20,459	9,518	47%
Tax Liabilities	3,303	2,266	1,037	46%
Employee Termination Benefits	4,527	4,564	(37)	(1)%
Provision for risks and charges	12,503	13,816	(1,313)	(10)%
Other liabilities	17,707	19,712	(2,005)	(10)%
Total Liabilities	703,314	687,585	15,729	2%
Share capital	41,280	41,280	-	n.s.
Reserves	96,965	133,771	(36,806)	(28)%
Treasury shares	(6,095)	(4,332)	(1,763)	41%
Profit (loss) for the period	(2,936)	19,471	(22,407)	(115)%
Net Equity	129,214	190,190	(60,976)	(32)%
Total Liabilities and Net Equity	832,528	877,775	(45,247)	(5)%

The item **Cash and liquid securities** includes available liquidity in current accounts. Compared to December 31, 2022, there was a decrease of €57.0 million compared to the end of the previous year, as a result of the financial dynamics of the period described below in the paragraph relating to the Net Financial Position.

Financial assets showed a balance of €198.7 million, an increase of €0.2 million compared to the value recorded as at December 31, 2022, and amounting to €198.5 million.

The item is broken down in the following table.

(€/000)

Financial assets	12/31/2023	12/31/2022	Change €	Change %
At fair value through profit or loss	37,037	42,126	(5,089)	(12)%
Debt securities	16,484	18,145	(1,661)	(9)%
CIUs	20,499	23,628	(3,129)	(13)%
Non-hedging derivatives	54	353	(299)	(85)%
At fair value through OCI	8,165	10,171	(2,006)	(20)%
Equity instruments	8,165	10,171	(2,006)	(20)%
At amortized cost	153,518	146,178	7,340	5%
Loan assets on intercompany current account	82,061	33,935	48,126	142%
L&R with customers	71,457	112,243	(40,786)	(36)%
Total	198,720	198,475	245	0%

The component of financial assets "at fair value through profit or loss" recorded an overall decrease of €5.1 million, mainly due to a decrease in the debt securities component caused by valuation effects (€1.6 million), and a decrease of €3.1 million in CIU units related to the restricted closed-end alternative securities investment fund denominated Italian Recovery Fund (formerly Atlante II), of which €2.2 million was due to the cancellation and distribution of units and €0.9 million to the related negative fair value difference.

Non-hedging derivatives include the value of one option related to the purchase of additional interests in the company BidX1; the reduction of €0.3 million originates from the fair value differential of this option.

The category "at fair value through other comprehensive income", which includes minority interests in the Brazilian fintech company QueroQuitar S.A. (11.6%) and in the Irish proptech company BidX1 (17.7%), shows a total decrease of €2.0 million exclusively attributable to the fair value differential of the latter.

The component of financial assets "At amortised cost" recorded an increase of €7.3 million mainly due to the increase in receivables from doValue Spain and doValue Portugal deriving from cash pooling transactions, partially offset by repayments of loans received during the year, disbursed to doValue Spain and doValue Greece.

Equity investments amounted to €400.9 million and were essentially affected in the period by:

- an increase in the equity investment in doValue Spain Servicing of €21.5 million for the purchase of the residual 15% minority interest following the finalisation of the put option exercise on October 24, 2023;
- an increase of €5.1 million in the value of the equity investment in doValue Greece due to the combined effect of an increase in the fair value of the Earn-out liability linked to the company's acquisition price (€5.4 million) and the decrease due to the absence of previously capitalised costs (€0.3 million);
- a decrease of €0.1 million in the value of the equity investments in doValue Spain Servicing due to the release of significant provisions made in previous years with respect to the accrued remuneration in the form of allocation of doValue shares, allocated to certain categories of managers of this investee company, as required by the remuneration policy.

Property, plant and equipment, equal to €13.6 million, decreased by €4.4 million compared to December 31, 2022, mainly due to the combined effect of the accrued portion of depreciation (€6.3 million) and the acquisition or extension of rights of use capitalised pursuant to IFRS 16 (€1.1 million).

Intangible assets decreased from €17.9 million to €17.4 million, a decrease of €0.5 million essentially for the combined effect due to both the capitalisation of costs connected with IT and the accrual of a portion pertaining to amortisation.

The following is a breakdown of Intangible assets:

(€/000)

Intangible assets	12/31/2023	12/31/2022	Change €	Change %
Software	15,151	13,577	1,574	12%
Brands	52	56	(4)	(7)%
Assets under development and payments on account	2,236	4,274	(2,038)	(48)%
Total	17,439	17,907	(468)	(3)%

The **tax assets** detailed below show a balance of €59.7 million as at December 31, 2023, compared to €65.7 million as at December 31, 2022. The reduction of €5.9 million mainly refers to releases and write-downs of "deferred tax assets", €5.2 million of which derives from the derecognition of DTAs.

(€/000)

Tax assets	12/31/2023	12/31/2022	Change €	Change %
Current tax assets	4,158	4,025	133	3%
Paid in advance	-	4,025	(4,025)	(100)%
Tax credits	4,158	-	4,158	n.s.
Deferred tax assets	53,730	59,975	(6,245)	(10)%
Write-down on loans	40,202	49,330	(9,128)	(19)%
Tax losses carried forward in the future	13,199	4,611	8,588	n.s.
Property, plants and equipment / Intangible assets	-	326	(326)	(100)%
Other assets / liabilities	-	1,886	(1,886)	(100)%
Provisions	329	3,822	(3,493)	(91)%
Other tax receivables	1,828	1,661	167	10%
Total	59,716	65,661	(5,945)	(9)%

The breakdown of **tax liabilities** is also shown below, highlighting an increase compared to the 2022 balances (€1.0 million), referring to higher receivables included in the item "Other tax receivables".

(€/000)

Tax liabilities	12/31/2023	12/31/2022	Change €	Change %
Deferred tax liabilities	20	20	-	n.s.
Other tax payables	3,283	2,246	1,037	46%
Total	3,303	2,266	1,037	46%

As at December 31, 2023, **financial liabilities - payables to banks/bondholders** decreased from €564.1 million to €562.6 million, a decrease of €1.5 million, mainly linked to the combined effect of the €5.0 million reduction deriving from two outstanding bonds buy-back transactions which were concluded by repurchasing part of the own debt on the market below par so as to reduce the total amount of liabilities to a further amount than compared to the financial disbursement required, with the consequent recognition of income of €0.5 million and the increase in the amortised cost of the bonds issued.

As at December 31, 2023, the residual debt at amortised cost for the two bonds issued is as follows:

- 2020-2025 bond with a nominal value of €264.0 million, interest rate of 5.0%: €265.1 million;
- 2021-2026 bond with a nominal value of €296.0 million, interest rate of 3.4%: €297.4 million.

Other financial liabilities at the end of 2023 are detailed below:

(€/000)

Other financial liabilities	12/31/2023	12/31/2022	Change €	Change %
Lease liabilities	13,062	16,443	(3,381)	(21)%
Earn-out	54,668	44,648	10,020	22%
Other financial liabilities	4,939	1,593	3,346	n.s.
Total	72,669	62,684	9,985	16%

"Lease liabilities" include the discounted value of future lease payments, in accordance with the provisions of IFRS 16.

The liability for the "Earn-out" refers (i) to the doValue Spain acquisition for €22.2 million (€17.5 million as at December 31, 2022) and relates to a portion of the acquisition price, supplemented by the interest component, and (ii) to the acquisition of doValue Greece for €32.5 million (€27.2 as at December 31, 2022) linked to the achievement of some EBITDA targets within a 10-year time frame and whose possible payments will be due from 2024.

"Other financial liabilities" include payables for cash pooling to the subsidiaries doData, doNext and doValue Cyprus.

Provisions for risks and charges go from a balance at the end of 2022 of €13.8 million to €12.5 million as at December 31, 2023. The reduction of €1.3 million is due to the combined effect of new allocations, uses and releases on both in-court and out-of-court disputes settled during the period.

(€/000)

Provisions for risks and charges	12/31/2023	12/31/2022	Change €	Change %
Legal disputes	5,424	4,621	803	17%
Staff expenses	599	514	85	17%
Other	6,480	8,681	(2,201)	(25)%
Total	12,503	13,816	(1,313)	(10)%

Other liabilities went from €19.7 million to €17.7 million with a decrease of €2.0 million due to the combined effect of various components, as summarised in the table below.

(€/000)

Other liabilities	12/31/2023	12/31/2022	Change €	Change %
Amounts due to personnel	11,899	12,512	(613)	(5)%
Debts related to servicing contracts	3,754	2,857	897	31%
Accrued expenses/deferred income and other debts	2,054	4,343	(2,289)	(53)%
Total	17,707	19,712	(2,005)	(10)%

Shareholders' Equity amounted to €129.2 million, compared to €190.2 million as at December 31, 2022; this decrease derives from the effect of the distribution of dividends (€47.5 million), the net decrease in the stock option reserve accounted for pursuant to IFRS 2 (€6.7 million) and the revaluation reserve (€2.0 million), the increase in treasury shares (€1.8 million) as well as the loss for the period (€2.9 million).

NET WORKING CAPITAL

(€/000)

Net Working Capital	12/31/2023	12/31/2022
Trade receivables	80,191	84,066
Trade payables	(29,977)	(20,459)
Total	50,214	63,607

The figure for the period of €50.2 million is down 21% compared to December 2022 (€63.6 million). In terms of revenues over the last 12 months, the value is 36%, a decrease compared to the value at the end of 2022 (38%).

NET FINANCIAL POSITION

(€/000)

Net Financial Position	12/31/2023	12/31/2022
A Cash	57,326	114,358
B Liquidity	57,326	114,358
C Current bank debts	(105)	(125)
D Bonds issued - current	(14,602)	(11,333)
E Current debts	141,789	74,692
F Net current financial position (B)+(C)+(D)+(E)	184,408	177,592
G Bonds issued - non current	(552,860)	(554,220)
H Non-Current debts	11,350	70,930
I Net financial position (F)+(G)+(H)+(I)	(357,102)	(305,698)

The **net financial position** at the end of 2023 stood at €357.1 million compared to €305.7 million at the end of 2022.

The item "Current account cash and cash equivalents" of €57.3 million provides the Company with the flexibility it needs to develop its operating plans. In addition to this, at the end of 2023, the Company had €107 million of available credit lines to support total liquidity.

The **current net financial position** is positive at €184.4 million (€177.6 million at the end of 2022), reflecting a balanced overall capital structure which envisages reimbursements of bond loans starting from the second half of 2025.

Significant events occurred during the year

RESIGNATION OF THE CHIEF EXECUTIVE OFFICER AND APPOINTMENT OF MANUELA FRANCHI AS NEW CEO

On March 17th, 2023 the Chief Executive Officer Andrea Mangoni announced his intention to resign from his role to take on new professional opportunities (effective resignation as of April 27, 2023).

The Board of Directors has activated the relevant internal procedures aimed at starting the succession process for the role of Chief Executive Officer. In line with the remuneration policy adopted by the Company, there were no indemnities nor benefits in relations to the cessation of the role of Chief Executive Officer.

On April 27th, 2023, the Board of Directors of doValue S.p.A. has co-opted Manuela Franchi as acting Chief Executive Officer of the Group, with the aim of ensuring full continuity and stability in the management of the Group. Manuela Franchi has been in the Top Management of doValue since 2016, overseeing the company's listing on the stock exchange. Over time, she has held various key roles within the group, including Head of M&A and IR, CFO, General Manager of corporate functions, COO of doNext, and board member of doValue Greece and doValue Spain. Following an in-depth selection process of internal and external candidates activated by the doValue Board of Directors, on August 3, 2023 Manuela Franchi was finally confirmed by unanimous decision in her role as CEO for the Group.

SHAREHOLDERS' MEETING

The Ordinary and Extraordinary Shareholders' Meetings of doValue were held on April 27, 2023 and has:

- approved the separate financial statements for the year 2022, the destination of the profit for the year 2022 and the distribution of the dividend;
- examined the second section of the Report on the remuneration policy and on the remuneration paid in the financial year 2022 or related thereto, pursuant to article 123-ter of the TUF and art. 84-quater of Consob Regulations no. 11971/1999 (the "Issuers' Regulation") expressing a favourable opinion;
- granted a new authorisation to purchase treasury shares;
- approved the amendments to the By-Laws.

DIVIDEND DISTRIBUTION

On March 23, 2023, the Board of Directors of doValue resolved to propose to the shareholders the distribution of a dividend for the year 2022 of €0.60 per share (for a total of approximately €47.5 million, considering the number of treasury shares held by the Company at the date). The dividend, which was subsequently approved by the Shareholders in their Meeting on April 27, 2023, the dividend was paid on May 10, 2023 (with coupon detachment on May 8, 2023 and record date on May 9, 2023).

ARBITRATION IN SPAIN

Regarding the events underlying the agreement reached with the Tax Authority in 2021 by the subsidiary doValue Spain Servicing S.A. (hereinafter "doValue Spain"), on May 11, 2023 the International Court of Arbitration of the International Chamber of Commerce issued an arbitral award condemning Altamira Asset Management Holdings S.L. (hereinafter "AAMH") to refund approximately €28 million, plus statutory interest, in favor of the doValue Group and, likewise, to the payment by doValue S.p.A. (hereinafter "doValue") of the Earn-out, inclusive of passive interests. The amounts related to the Spanish tax claim were paid to the Spanish tax authority in 2021 by doValue Spain to the Spanish Tax Authority following an assessment conducted for facts and events that occurred prior to doValue's acquisition in 2019.

With respect to this award, AAMH initiated a legal action before the competent Spanish courts seeking partial annulment of the arbitral award regarding its obligation to pay the tax claim imposed under the arbitral award still pending to date. The judgment of the High Court of Justice in Madrid on the annulment action proposed by AAMH should be announced no later than the beginning of May 2024.

Regarding the enforcement action initiated by the Parent Company doValue and the subsidiary doValue Spain in July 2023 to enforce and collect the sums owed by AAMH, on December 21, 2023, the competent Court in Madrid issued an enforcement order condemning AAMH to pay the amounts set forth in the arbitral award, resulting in the seizure of all of AAMH's assets. Regarding this enforcement procedure, AAMH has filed an objection.

In light of the above, the Group has a contingent asset and expects to realize an amount at least equal to approximately €22 million. Such collection is deemed highly probable, also considering that in order to suspend the enforcement, AAMH would have to resort to escrowing the entire amount due in favor of the doValue Group pursuant to the arbitral award. This latter possibility is considered remote.

TAX AUDIT IN ITALY

Regarding the formal closure of the tax audit that the Parent Company has received by the Italian Tax Authority concerning the fiscal years 2015, 2016, and 2017, prior to the listing, at the end of April 2023, a tax assessment was received in connection with the 2016 finding and for which it filed a tax settlement proposal to activate adequate protection measures and demonstrate, supported by a pool of professionals, the reasons for the correctness of the own conduct. Following the inability to reach a settlement agreement, which was pursued to achieve an out-of-court agreement quickly and with minimal expenditure considering the correctness of its position, on December 16, 2023, the settlement procedure was formally closed, and a judicial appeal was filed.

Additionally, on December 19, 2023, a tax assessment for the 2017 fiscal year was also received. Reference is also made to the section "Information on Risks and Risk Management policies- Operational Risks - Legal and Tax Risks" of the Illustrative Notes.

SETTLEMENT AGREEMENT DOVALUE SPAIN

On December 27, 2023, a settlement agreement was signed with a client of the subsidiary doValue Spain. Specifically, this agreement entails the final settlement of any past, present, or future liabilities arising from the contract, with the client making a payment to the Group. The subsidiary doValue Spain received this payment at the end of December 2023.

SHARE BUYBACK PROGRAM

On October 9, 2023, doValue S.p.A. announced the commencement, effective October 10, 2023, of a share buyback program (so-called "Buy-back") for a maximum limit of 2,000,000 shares, aimed at replenishing the treasury shares reserved for the existing Share-based Incentive Plan for the Group's management.

Taking into account the treasury shares already held and the purchases resulting from the buyback operation, as of December 31, 2023, the company holds 1,494,630 shares.

With an authorized duration of 18 months, the share repurchase program concluded on February 2, 2024. Please refer to the section "Significant events occurred after the end of the year" for further details.

COMMENCEMENT OF THE SALE PROCESS OF DOVALUE PORTUGAL

In November 2023, the Board of Directors of doValue Spain, as the sole shareholder of the subsidiary doValue Portugal Unipessoal Limitada, resolved to initiate the sale process. This decision was made in light of the negative economic and financial outlook of the company, despite the initiatives undertaken to mitigate its financial losses.

DOVALUE INTEGRATES TEAM 4 COLLECTION & CONSULTING S.L.U.

On December 29, 2023 doValue Spain signed the acquisition of full control of Team 4 Collection & Consulting S.L.U. (hereinafter also "Team4"), a subsidiary of the Arvato Group (Bertelsmann). This integration accelerates doValue Spain's strategy to expand its capabilities in the management of small unsecured tickets, a rapidly growing market segment in the region and in Europe, and is consistent with its strategy aimed at growing its business through increased diversification and a wider base of clients. The acquisition is neutral in terms of net leverage and net financial position of doValue. Team4 recorded €3.5 million of net revenue in 2022 with €2.5 billion of asset under management (GBV) and is expected to achieve €4.2 million of net revenues in 2023. Thanks to its technical and human infrastructure Team4 it is able to effectively serve a diverse range of top clients in the Spanish market, both in the financial sector and the consumer space. Team4 has developed a unique platform with capabilities to efficiently manage collection services, both amicable and judicial. Its proprietary software and robust IT infrastructure provide a strong foundation for managing and optimizing collection processes. The acquisition is expected to generate immediate synergies through the internalization of outsourcing services that currently doValue Spain sources from external companies for managing unsecured tickets. The integration will allow doValue to also expand its customer base toward non-banking clients which represent almost 25% of Team4's assets under management. Under the agreement Team4 will continue to serve Arvato Group and Arvato Group's multinational's customers operating in Spain.

OTHER RELEVANT ACTIVITIES

Since the beginning of 2023, doValue has been active on several fronts. A summary of all the main initiatives and key mandates is shown below.

- **Efesto Fund:** between December 2022 and January 2023, the Efesto Fund has received commitments for UTP contributions totaling €1.1 billion, including significant commitments from two leading Italian banks. In particular, on January 18, doValue announced that the Efesto Fund had received additional contributions of over €400 million from a leading Italian bank. Established in 2020, the Efesto Fund focuses on revitalizing SMEs, real estate assets, as well as consumer and leases exposures. doNext serves as the servicer of the fund.
- **Project Frontier II:** doValue has completed in 2023 the securitisation process of a €1 billion portfolio originated by NBG under the Hellenic Asset Protection Scheme (HAPS). The portfolio of mostly secured nonperforming loans has been fully onboarded in February 2024.
- **Fino 1 GACS Securitisation:** in January 2023, due to doValue's strong performance in managing the Fino 1 securitization, which was granted GACS guarantee by the Ministry of Economy and Finance, the senior notes of Class A of this securitization were repaid, as announced to the markets on February 1. The Fino 1 securitization - €5.4 billion GBV of credit portfolios from UniCredit - was completed in 2017 under the GACS program and saw investment from funds managed by Fortress Investment Group, King Street Capital Management, and UniCredit, while doValue assumed the roles of master and special servicer.
- **Project Souq:** on February 22, 2023, doValue announced the completion of the sale of a secondary portfolio worth €630 million GBV in Greece to Intrum. The portfolio was carved out from the securitization vehicles HAPS Cairo I and Cairo II, managed by doValue since their creation. The sale allows doValue to accelerate its collection activity in Greece (for which it received a collection fee in the first quarter of 2023) by acquiring the long-term servicing mandate on the sold portfolio.
- **MSCI ESG Research:** in March 2023, MSCI ESG Research has upgraded the Group's MSCI ESG rating from "AA" to "AAA". MSCI ESG Research measures a company's resilience to environmental, social and governance ("ESG") risks on a long-term horizon. The upgrade by MSCI ESG Research is a tangible example of doValue's commitment in adopting best practices in the interest of its stakeholders, in particular clients, capital providers (equity holders and bond holders), employees, and the broader social and environmental ecosystem in which the Company operates. The doValue group's ESG framework has been evaluated by MSCI ESG since 2018, showing a consistent improvement in the rating over the years.
- **Moody's Analytics rating** on July 25, 2023, Moody's Analytics upgraded the ESG rating to "Robust" from "Limited," with an overall score of 50 points. In its assessment of doValue, Moody's Analytics considered ESG themes such as climate change prevention, environmental protection, and discrimination prevention. The company's achievements in corporate governance and ethical business conduct were particularly appreciated.

- **Bond buy-back:** as part of an exercise to optimize its liabilities and make better use of available cash, doValue bonds were purchased and subsequently cancelled, for a nominal value of approximately €5.0 million.
- **Onboarding of the SKY portfolio in Cyprus:** on September 28, 2023, doValue announced the completion of the acquisition of the Sky portfolio, which includes the onboarding by doValue Cyprus of the Sky portfolio assigned by Cerberus Capital Management for an overall value of approximately €2.3 billion in Non-Performing Exposures originated by Alpha Bank Cyprus, of which €2.1 billion represent new assets under management.
- **Acquisition of new servicing contracts in Spain worth €689 million from major local banks and investors:** in 2023, doValue Spain acquired new servicing contracts from major Spanish banks such as Banco Sabadell, Caixabank, and other investors for a value of €689 million, of which €250 million were already taken over by September. The acquired portfolios include a mix of NPLs and REOs and also feature "early arrears" positions.
- **Confirmation of S&P rating "BB," outlook "Stable":** in late November 2023, S&P confirmed the issuer credit rating "BB" and outlook "Stable" for doValue. The rating will therefore apply to the senior secured bonds currently listed on the Luxembourg stock exchange totalling €560 million and maturing between 2025 and 2026. The outlook also reflects the market's expectation that doValue will maintain its net financial leverage ratio below a multiple of 3.0x and that the company will continue to generate a stable and adequate operating cash flow.
- **€500 million GBV servicing contract in Spain:** in December 2023, doValue Spain obtained a servicing contract from an investor for a total of €500 million in GBV of guaranteed NPLs in Spain. Of these, €170 million were already under management. Management of the portfolio is scheduled to commence in the first quarter of 2024.
- **New master and special servicing contracts worth €313 million related to multi-originator securitization from the Luzzatti consortium:** at the end of December 2023, doValue received a mandate from the Luzzatti consortium securitization vehicle for master and special servicing activities related to an NPL portfolio with a GBV of €313 million, originated by leading national financial intermediaries. 51% of the masses correspond to mortgages guaranteed by first-grade mortgages. doValue had assisted Luzzatti from the due diligence phase on the portfolio.
- **doValue Spain Put Option:** the put option on the 15% minority stake in doValue Spain was exercised by Santander. Following this exercise, doValue acquired the minority from Santander, now holding 100% of doValue Spain.

Significant events occurred after the end of the year

Below are listed the significant events occurred after the end of the year that the doValue considers non-adjusting events according to IAS 10.

ADSOLUM CLOSURE

The Board of Directors on January 12, 2024, resolved to initiate the closure process of Adsolum Real Estate S.L., the company resulting from the spin-off of the REO business branch of doValue Spain, effective from January 1, 2021. This process involves offboarding the remaining client, liquidating real estate options, and conducting collective layoffs of personnel.

Once the above process is completed, the company will be directly merged into doValue Spain, as the sole shareholder to date, through the transfer of all assets and liabilities.

The liquidation is a consequence of the challenging interest rate environment and regulatory prospects regarding rents in Spain, which include rent increase limits and eviction process restrictions that have prevented the company from meeting its business expectations.

EQUITY INJECTIONS FOR THE IBERIA REGION

Subsequent to December 31, 2023, equity injections were resolved for both subsidiaries in the Iberia region, namely for doValue Spain Servicing S.A. and doValue Portugal Unipessoal Limitada, as their respective equities fell below the limits established by law.

ARBITRATION IN SPAIN

On February 26, 2024, the competent Court in Madrid rejected the opposition filed by Altamira Asset Management Holdings S.L. (hereinafter "AAMH") against the enforcement procedure that sentenced it to pay the amount stipulated in the arbitral award, resulting in the seizure of all assets. AAMH had the option to appeal against the order dismissing the opposition within 20 working days. This appeal does not suspend the execution process unless AAMH provides security for the entire amount owed (tax debt, interest, and potential damages).

On January 16, 2024, doValue S.p.A. (hereinafter "doValue") deposited approximately €22 million with the competent Court, in execution of its own motion (i.e., the seizure of the Earn-out credit that AAMH holds against doValue pursuant to the arbitral award). Regarding these sums attributable to the Earn Out, the Court consented to their use to satisfy a portion of the credit that doValue Spain Servicing S.A. (hereinafter "doValue Spain") claims against AAMH. The Court is currently processing the case file. A decision on the request for release to doValue Spain of these funds deposited judicially within the framework of the enforcement procedure is expected by the end of March 2024 or during April 2024.

Considering the above, as already mentioned in the "Significant events occurred during the year", the Group has a potential asset and expects to realize an amount at least equal to approximately €22 million. Such collection is deemed highly probable, also considering that in order to suspend the enforcement, AAMH would have to resort to escrowing the entire amount due in favor of the doValue Group pursuant to the arbitral award. This latter possibility is considered remote.

TAX AUDIT IN ITALY

With respect to the tax assessment regarding the finding for the 2017 fiscal year, the Company filed a tax settlement proposal on February 16, 2024, to demonstrate the correctness of its actions based on a multitude of well-founded elements from a legal tax perspective.

Reference is also made to the section "Information on Risks and Risk Management policies - Operational Risks - Legal and Tax Risks" of the Illustrative Notes.

INDUSTRIAL PLAN 2024-2026

On March 20, 2024, the Board of Directors of doValue approved the Group's 2024-2026 Industrial Plan, which, among its various aspects, underlies the estimation processes supporting the carrying value of certain items recorded in the Consolidated Financial Statements as of December 31, 2023. The new business plan aims for improved profitability and cash flows, also through diversification, innovation and efficiency.

The pillar of the new Industrial Plan lies in a customer-oriented approach, aiming to maintain the Group's leadership in Southern Europe, with significant business development in the Hellenic Region, Italy, and Spain. The objective is to become the best partner for our clients across the credit value chain, including integrating real estate services with credit management to enhance service revenues and expand value-added services.

The Industrial Plan includes, among other things, the maintenance of its significant market share in Southern Europe (15-20%), a greater revenue diversification aiming to generate 35-40% of revenues from non-NPL businesses, improved process efficiency, and maintaining a solid capital structure with a low leverage ratio within the 2.1-2.3x range.

The new Industrial Plan also takes into account the changed market context, assuming lower new business flows compared to the average of the last three years, which were already impacted by an unfavorable macroeconomic scenario.

DOVALUE HAS ENTERED INTO EXCLUSIVE DISCUSSIONS FOR A POTENTIAL COMBINATION WITH GARDANT

On March 21, 2024 doValue, Elliott Advisors (UK) Limited ("EAUK") and Tiber Investments S.à r.l. ("Tiber"), an affiliate of funds advised by EAUK, have entered into a nonbinding heads of terms identifying certain key terms for a potential combination with Gardant S.p.A ("Gardant") based on which negotiations will now proceed on an exclusive basis aimed at finalizing a binding agreement for the potential combination with Gardant.

The transaction potentially entails the acquisition of 100% of Gardant by doValue, also through a capital increase reserved for the seller, and would enable doValue to strengthen its equity position and increase its market share in Italy alongside strong strategic partners.

Gardant boasts a comprehensive credit management offering across the entire value cycle of the loan management, focusing on Italy with ~€40 billion of assets under management (of which ~€20bn of Assets Under Special Servicing) and approximately €500 million of funds under management through its fully dedicated alternative asset management company, Gardant Investor SGR.

The transaction is subject to reaching satisfactory binding agreements between the parties as well as corporate and regulatory approvals.

OTHER SIGNIFICANT ACTIVITIES

The main corporate events that occurred after December 31, 2023 are shown below:

- **Conclusion of the share buyback program:** on February 2, 2024, the company completed the purchase program of 2,000,000 shares aimed at replenishing an adequate reserve to support management incentive and remuneration plans. The total expenditure amounted to €5,506,096. At the end of the program, the company held 2,827,230 shares, equivalent to 3.53% of the share capital. The conclusion of the program was publicly announced on February 5.
- **New mandate in Greece for €500 million:** a new servicing contract was signed with Attica Bank S.A. by doValue Greece. The agreement concerns the management of a portfolio of NPEs worth approximately €0.5 billion GBV, part of a securitized portfolio known as Project Omega, which was transferred back to Attica Bank in February 2024.

Outlook for operations

The Board of Directors approved on March 20, 2024, the new Industrial Plan for the period 2024-2026, which includes specific financial targets related to key variables for the three-year period (for further details, please refer to the "Significant events occurred after the end of the year" section).

In particular, to safeguard profitability, the Group has continued and will continue to invest significantly. The doTrasformation project by doValue, launched in 2022, has been extensively implemented, yielding €18 million in cost savings in 2023, and will be accompanied by further transformation initiatives launched in 2024. A key element of the additional transformation concerns initiatives to contain the expected increase in the cost base, and in this regard, doValue has planned a total net reduction in headcount of approximately 500 FTEs, with 650-700 exits and 150-200 new positions to strengthen capabilities in key areas.

2024 is therefore identified as a year of transformation and investment, aimed at laying the foundations for growth in the following years, 2025 and 2026; hence, the expected results for 2024 are to be considered in the context of executing the transformation program, with initiatives planned in all geographical areas of operation. It is anticipated that the full impact of cost optimization actions will not be noticeable in the first half of the year.

The commitment to diversifying revenue sources will continue, extending beyond the traditional NPL segment. This approach is part of the strategy to expand the asset portfolio and consolidate the doValue's market position.

Regarding the current market context, it is expected that:

- activities in Italy will continue in line with the trends observed in 2023, with revenues slightly contracting due to new business inflows not yet sufficient to offset the collection rate;
- activities in the Hellenic Region will be supported by an acceleration of collections, also driven by potential portfolio sales in the secondary market on behalf of clients, which should lead to a stable year-on-year margin;
- activities in Iberia will fully reflect the offboarding of the Sareb portfolio following the contract expiration, partially offset by cost reduction resulting from the reorganization of Spanish activities that has already affected the latter part of 2022 and 2023.

Main risks and uncertainties

The financial position of doValue is adequately scaled to meet its needs, considering the activity carried out and the results achieved,

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

The main risks and uncertainties, considering the Group's business, are essentially connected to the macroeconomic situation which could have consequences on the general trend of the economy and on the generation of non-performing exposures. Furthermore, there remain elements of uncertainty related to the persistence of a high interest rate environment, which is having a negative impact on real estate transactions.

The continuation of high interest rates and the heightened volatility in the capital markets could result in a significant increase in financial expenses for the Company, leading to a reduction in available cash flows for shareholders.

GOING CONCERN

In order to express an opinion on the going concern assumption on the basis of which these Report and Financial Statements as at December 31, 2023 were prepared, the risks and uncertainties to which the Company is exposed were carefully assessed:

- in particular, consideration was given to forecasts regarding macroeconomic scenarios impacted by a combination of inflation, rising interest rates, and economic downturn, as exogenous values to be considered in trend terms among the assumptions of the 2024-2026 Group Industrial Plan, as well as in sensitivity analyses related to impairment tests of intangible assets as of December 31, 2023;
- in assessing the sustainability of asset values as of December 31, 2023, factors such as the Group's capital endowment, financial position, and cash flow generation capacity, as reflected in the new 2024-2026 Group Industrial Plan, were taken into account, as well as the characteristics of doValue's specific business model, which demonstrates flexibility to respond to different phases of the economic cycle;
- profitability, primarily dependent on managed assets, as well as the contribution of new portfolio management contracts recorded in the 2023 financial year and the resulting collections, were considered;
- finally, consideration was given to the judgment of rating agencies on the Company's quoted debt instruments and the level of prices recorded by such instruments in the secondary market.

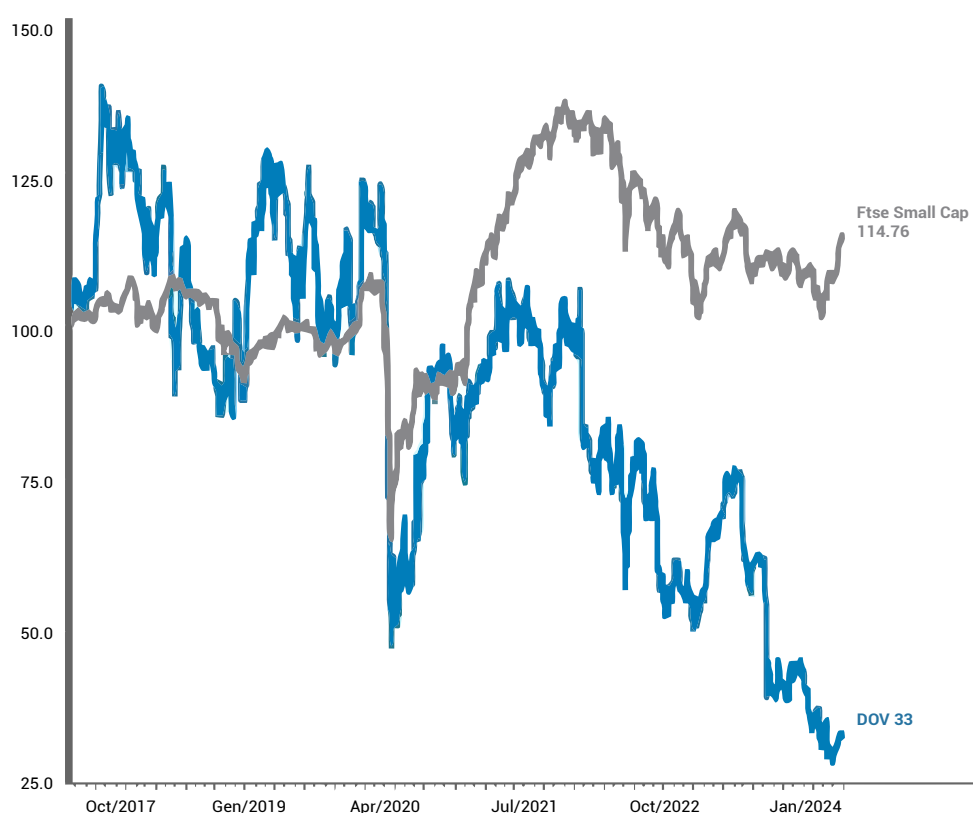
With exclusive reference to the refinancing of existing bond loans, one maturing in August 2025 and the other in mid-2026, the Group has initiated appropriate activities for the repayment of the loan maturing in August 2025, evaluating the best available options (for further details, please refer to the section "Information on Risks and Risk Management Policies" in the Illustrative Notes). However, the August 2025 maturity is more than 12 months from December 31, 2023; furthermore, it is noted, as already highlighted in the paragraph concerning the Net Financial Position, it should be noted that the Company's liquidity as at December 31, 2023 is €57.3 million, with credit lines of €107 million, in addition to the cash that will be generated by the above bond's due date.

From the analyses carried out and on the basis of the assumptions reported above, no uncertainties have emerged in relation to events or circumstances, which, considered individually or as a whole, could give rise to doubts regarding the Group's ability to continue as a going concern.



doValue shares

The doValue shares have been listed on the Electronic Stock Market managed by Borsa Italiana (now Euronext Milan) since July 14, 2017. The following graph illustrates the performance of the stock from its listing until the end of 2023, relative to the Ftse Small Cap index of the Milan Stock Exchange.



Since its listing at the end of 2019, the doValue stock has outperformed the basket of comparable Italian stocks in terms of size, appreciating from the IPO value of €9 per share to €12 per share. This trend has been influenced by investor interest in the strategic positioning of the Group, a leader in a profitable and growing sector. Additionally, market appreciation of both the organic growth strategy outlined in the Business Plan presented in June 2018 and updated in November 2019, as well as the acquisitions of doValue Spain and doValue Greece, has contributed to this performance. During this period, shareholder remuneration was further increased with dividends of €0.394 and €0.460 per share for the financial years 2017 and 2018, respectively.

In the early months of 2020, due to the global spread of the Covid-19 pandemic, financial markets, including major stock indices and doValue shares, experienced high volatility and significant depreciation. In the second half of the year, thanks to the introduction of expansive monetary and fiscal policies in Europe and the United States, financial markets – and doValue accordingly – began to recover from pre-pandemic levels. This trend intensified in the last two months of 2020 with the announcement of the effectiveness of the first Covid-19 vaccines. Already in the first quarter of 2021, the stock had returned above IPO levels. From October 2021 onwards, however, the stock underperformed the basket of Italian Small Cap stocks, mainly due to uncertainties related to the potential renewal of the contract between doValue and the client Sareb in Spain (the Group's largest client in terms of Gross Book Value and Gross Revenues in 2021), expiring in June 2022. In particular, the uncertainty that characterized the last quarter of 2021 was related to expectations regarding the economic impacts of a potential contract renewal with Sareb in light of lower-than-expected profitability.

On January 25, 2022, doValue approved the 2022-2024 Industrial Plan, which envisaged the renewal of the Sareb contract, albeit with very limited profitability. On February 24, 2022, Sareb announced that it had engaged two servicers not part of the pool of the four historic servicers (of which doValue was also a part) for the new contract. The news weighed on the stock in the days immediately following. Nevertheless, during 2022, the doValue stock performed overall in line with the FTSE Italy Small Cap index. In general, the performance of global stock markets in 2022 was negative due to recessionary fears and increasing interest rates.

Overall, the performance of the stock in 2023, negative since February, was mainly affected by analysts' expectations regarding the credit management services sector, in a macroeconomic context where the formation of NPLs on financial intermediaries' balance sheets has slowed down – owing to the strengthening of capital solidity and risk management policies in the credit sector - undermining confidence in the current and future revenue and profitability growth of operators. In this context, the stock was also negatively affected by the negative developments of some of its competitors who suffered severe penalties due to a financial structure particularly skewed towards debt.

Additional downward pressure on the stock price came from rising interest rates, which suggested a more costly refinancing of maturing bonds, and rumors and statements about the possible reform of non-performing loans write-offs in the third quarter of 2023.

Specifically, the events that have most influenced a decline in the price were the publication of the 2022 financial results in February, dividend payment in May, the release of the September 2023 results in November of the same year, and the restated September 2023 results in accordance with IAS 34 in January 2024.

Modest increases in the stock price were recorded instead following the favorable outcome of the arbitration in Spain in May, the signing of the shareholder agreement between Fortress and

Bain Capital in June, the progress of the doTransformation project in July, the onboarding of the "Sky" portfolio and new flows in Spain between September and October, the start of the share buyback program in October, the signing of a new servicing contract in Spain in December, the acquisition of Team4 at the end of December, as well as the servicing mandate related to the securitization of the "Luzzatti" portfolio.

The main statistics of the performance of the doValue stock are reported in the following table:

Summary data	Euro	Date
IPO price	9.00	07/14/2017
IPO price (adjusted for dividends paid)	6.99	07/14/2017
Minimum closing price	2.93	11/30/2023
Maximum closing price	14.27	10/18/2017
Last closing price of 2023	3.42	12/29/2023
Number of outstanding shares as at December 31, 2023	80,000,000	12/29/2023
of which treasury shares as at December 31, 2023	1,494,630	12/29/2023
Capitalisation as at December 31, 2023	274,000,000	12/29/2023
Capitalisation (excluding treasury shares) as at December 31, 2023	268,880,892	12/29/2023

Other information

MANAGEMENT AND COORDINATION

At December 31, 2023, 25.05% of the shares of doValue were owned by its largest shareholder, Avio S.a r.l, the reference shareholder, a company incorporated in Luxembourg, affiliated to the Fortress Group, which in turn was acquired by Softbank Group Corporation in December 2017. A further 3.22% of doValue shares are held by other investors similarly connected with Softbank Group Corporation, with an overall stake held by the latter of 28.27%.

At December 31, 2023, the residual 71.73% of the shares was placed on the market and 1.87% consisted of 1,494,630 treasury shares, measured at cost, for a total of €6.1 million held by doValue.

The reference shareholder does not exercise any management or coordination power over doValue pursuant to Article 2497 et seq. of the Italian Civil Code, as it does not issue directives to doValue and, more generally, does not interfere in the management of the Company. Accordingly, the strategic and management policies of doValue and all of its activities in general are the product of the independent self-determination of the corporate bodies and do not involve external management by Avio.

doValue exercises its management and coordination powers over its direct subsidiaries as provided for in the legislation referred to above.

TRANSACTIONS IN TREASURY SHARES

At December 31, 2023, doValue held 1,494,630 treasury shares, equal to 1.87% of the total share capital. Their book value is €6.1 million and they are presented in the Financial Statements as a direct reduction of Shareholders' Equity under "Treasury shares" pursuant to article 2357-ter of the Italian Civil Code.

The ordinary Shareholders' meeting of April 27, 2023 revoked the authorisation to purchase and sell treasury shares conferred by said meeting to doValue's Board of Directors by means of resolution of April 28, 2022. At the same time, a new authorisation to purchase treasury shares in one or more transactions was conferred, according to the same terms and conditions pursuant to the previous Shareholders' meeting resolution, i.e. up to 8,000,000 ordinary shares of doValue S.p.A., equal to 10% of the total, for a period of 18 months from the Shareholders' meeting approval.

During the fiscal year, a total of 667,400 shares were purchased for a total value of €2.1 million.

RESEARCH AND DEVELOPMENT

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

PEOPLE

doValue's business is related to people, and the improvement and development of professional skills are strategic drivers to ensure sustainable innovation and growth. doValue continues to invest in its people through policies aimed at the improvement and development of human resources, with the aim of consolidating a climate of company satisfaction.

At December 31, 2023, the number of Company employees was 922 compared to 956 at the end of 2022.

For further details, please refer to the Non-Financial Statement.

RELATED-PARTY TRANSACTIONS

In compliance with the provisions of the "Rules for Transactions with Related Parties" referred to in Consob Resolution no. 17221 of March 12, 2010, as amended, any transaction with related parties and connected persons shall be concluded in accordance with the procedure approved by the Board of Directors, whose most recent update was approved at the meeting held on June 17, 2021.

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

With reference to paragraph 8 of Article 5 - "Public information on transactions with related parties" of the Consob Regulation cited above, it should be noted that:

- A. on the basis of the Policy in relation to transactions with related parties adopted by the Board of Directors of doValue S.p.A., in 2023, no significant transactions were carried out;
- B. in 2023, no transactions with related parties were carried out, under different conditions from normal market conditions, which have significantly influenced the balance sheet and financial position of the Company;
- C. in 2023, there have been no changes or developments to individual transactions with related parties already described in the most recent financial report that have had a significant effect on the Group's balance sheet or results in the reference period.

ATYPICAL OR UNUSUAL OPERATIONS

Pursuant to Consob communication no. 6064293 of July 28, 2006, it should be noted that in 2023 the doValue did not carry out any atypical and/or unusual transactions, as defined by the same communication, according to which atypical and/or unusual transactions are those transactions that, due to their significance/relevance, the nature of the counterparties, the subject matter of the transaction, the way in which the transfer price is determined and the timing of the event (close to the end of the financial year) can give rise to doubts as to the accuracy/completeness of the information in the financial statements, conflicts of interest, the safeguarding of company assets and the protection of minority shareholders.

NON-FINANCIAL STATEMENT

In compliance with the provisions of Article 5, paragraph 3, letter b, of Italian Legislative Decree 254/2016, doValue has prepared the consolidated non-financial statement, which constitutes a separate report. The 2023 consolidated non-financial statement is available on the Group's website www.doValue.it under the "ESG" section.

CORPORATE GOVERNANCE

In accordance with the third paragraph of Article 123 bis of Italian Legislative Decree no. 58 of February 24, 1998 (Consolidated Finance Law or TUF), the Report on Corporate Governance is drawn up annually, which is approved by the Board of Directors and published together with the draft financial statements for the year ended December 31, 2023. This document is available in the "Governance" section on the company website www.doValue.it.

Together with this Report, the "Remuneration Report" drawn up pursuant to Article 123 ter of the Consolidated Finance Law is also made available.

DISCLOSURE ON THE OPT-OUT OPTION

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

Rome, March 21, 2024

The Board of Directors

RECONCILIATION BETWEEN THE CONDENSED AND THE STATUTORY INCOME STATEMENT

(€/000)

	12/31/2023	12/31/2022
NPE revenues	107,882	138,015
o.w. Revenue from contracts with customers	107,882	138,015
Co-investment revenues	1,274	1,507
o.w. Financial (expense)/income	1,274	1,507
Ancillary and other revenues	31,973	28,183
o.w. Financial (expense)/income	3	3
o.w. Revenue from contracts with customers	3,758	3,853
o.w. Other revenue	26,536	24,248
o.w. Other operating (expense)/income	1,676	79
Gross revenues	141,129	167,705
NPE Outsourcing fees	(6,535)	(7,629)
o.w. Costs for services rendered	(6,535)	(7,664)
o.w. Other revenue	-	35
Ancillary Outsourcing fees	(13,557)	(10,632)
o.w. Costs for services rendered	(66)	-
o.w. Administrative expenses	(13,437)	(10,632)
o.w. Other operating (expense)/income	(54)	-
Net revenues	121,037	149,444
Staff expenses	(74,277)	(83,606)
o.w. Personnel expenses	(74,301)	(83,799)
o.w. Other revenue	24	193
Administrative expenses	(21,235)	(23,199)
o.w. Personnel expenses	(448)	(652)
o.w. Personnel expenses - o.w. SG&A	(448)	(652)
o.w. Administrative expenses	(25,889)	(29,500)
o.w. Administrative expenses - o.w. IT	(11,491)	(13,749)
o.w. Administrative expenses - o.w. Real Estate	(1,315)	(1,634)
o.w. Administrative expenses - o.w. SG&A	(13,083)	(14,117)
o.w. Other operating (expense)	(8)	(17)
o.w. Other operating (expense)/income di cui: SG&A	(8)	(17)
o.w. Other revenue	5,110	7,001
o.w. Other revenue - o.w. IT	3,548	4,016
o.w. Other revenue - o.w. SG&A	1,562	2,985
o.w. Costs for services rendered	-	(31)
o.w. Costs for services rendered - o.w. SG&A	-	(31)
<i>Total "o.w. IT"</i>	<i>(7,943)</i>	<i>(9,733)</i>
<i>Total "o.w. Real Estate"</i>	<i>(1,315)</i>	<i>(1,634)</i>
<i>Total "o.w. SG&A"</i>	<i>(11,977)</i>	<i>(11,832)</i>
Operating expenses	(95,512)	(106,805)

Continue →

(€/000)

	12/31/2023	12/31/2022
EBITDA	25,525	42,639
EBITDA margin	18%	25%
Non-recurring items included in EBITDA	(1,198)	(2,563)
EBITDA excluding non-recurring items	26,723	45,202
EBITDA Margin excluding non-recurring items	19%	27%
Net write-downs on property, plant, equipment and intangibles	(13,278)	(11,777)
o.w. Depreciation, amortisation and impairment	(13,843)	(12,291)
o.w. Other operating (expense)/income	565	514
Net Provisions for risks and charges	(5,520)	(4,925)
o.w. Personnel expenses	(4,065)	(2,260)
o.w. Provisions for risks and charges	(1,732)	(2,442)
o.w. Other operating (expense)/income	125	(64)
o.w. Depreciation, amortisation and impairment	152	(159)
Net Write-downs of loans	139	484
o.w. Depreciation, amortisation and impairment	24	37
o.w. Other revenue	115	447
EBIT	6,866	26,421
Net income (loss) on financial assets and liabilities measured at fair value	(2,809)	(915)
o.w. Financial (expense)/income	(2,809)	(915)
Financial interest and commissions	652	(846)
o.w. Financial (expense)/income	(21,801)	(22,373)
o.w. Costs for services rendered	-	(85)
Dividends income similar revenue	22,453	21,612
EBT	4,709	24,660
Non-recurring items included in EBT	(8,302)	(6,722)
EBT excluding non-recurring items	13,012	31,382
Income tax for the period	(7,645)	(5,189)
o.w. Administrative expenses	(1,592)	(1,612)
o.w. Income tax expense	(6,053)	(3,577)
Profit (Loss) for the period	(2,936)	19,471

RECONCILIATION BETWEEN THE CONDENSED AND THE STATUTORY BALANCE SHEET

(€/000)	12/31/2023	12/31/2022
Cash and liquid securities	57,326	114,358
Cash and cash equivalents	57,326	114,358
Financial assets	198,720	198,475
Non-current financial assets	56,931	123,783
Current financial assets	141,789	74,692
Equity investments	400,939	374,429
Equity investments	400,939	374,429
Property, plant and equipment	13,576	17,969
Property, plant and equipment	13,575	17,914
Inventories	1	55
Intangible assets	17,439	17,907
Intangible assets	17,439	17,907
Tax assets	59,716	65,661
Deferred tax assets	53,730	59,975
Other current assets	1,828	1,661
Tax assets	4,158	4,025
Trade receivables	80,191	84,066
Trade receivables	80,191	84,066
Assets held for sale	10	10
Assets held for sale	10	10
Other assets	4,611	4,900
Other current assets	4,317	4,597
Other non-current assets	294	303
Total Assets	832,528	877,775
Financial liabilities: due to banks	562,628	564,084
Loans and other financing non-current	552,860	554,219
Loans and other financing current	9,768	9,865
Other financial liabilities	72,669	62,684
Loans and other financing current	4,939	1,593
Other non-current financial liabilities	30,517	27,641
Other current financial liabilities	37,213	33,450
Trade payables	29,977	20,459
Trade payables	29,977	20,459
Tax Liabilities	3,303	2,266
Tax payables	-	2,246
Deferred tax liabilities	20	20
Other current liabilities	3,283	-
Employee Termination Benefits	4,527	4,564
Employee benefits	4,527	4,564
Provision for risks and charges	12,503	13,816
Provisions for risks and charges	12,503	13,816
Other liabilities	17,707	19,712
Other current liabilities	15,127	17,348
Other non-current liabilities	2,580	2,364
Total Liabilities	703,314	687,585

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(€/000)	12/31/2023	12/31/2022
Share capital	41,280	41,280
Share capital	41,280	41,280
Reserves	96,965	133,771
Valuation reserve	(3,144)	(1,098)
Other reserves	100,109	134,869
Treasury shares	(6,095)	(4,332)
Treasury shares	(6,095)	(4,332)
Profit (loss) for the period	(2,936)	19,471
Profit (loss) for the period	(2,936)	19,471
Net Equity	129,214	190,190
Total Liabilities and Net Equity	832,528	877,775



FINANCIAL STATEMENTS

AT DECEMBER 31, 2023

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FINANCIAL STATEMENTS

BALANCE SHEET

(€)

	NOTE	12/31/2023	12/31/2022
Non-current assets			
Intangible assets	1	17,438,908	17,907,436
Property, plant and equipment	2	13,575,211	17,914,435
Equity investments	3	400,939,089	374,429,019
Non-current financial assets	4	56,930,609	123,783,414
Deferred tax assets	5	53,730,025	59,974,631
Other non-current assets	6	293,727	302,739
Total non-current assets		542,907,569	594,311,674
Current assets			
Inventories	7	701	54,701
Current financial assets	4	141,788,629	74,692,032
Trade receivables	8	80,191,188	84,066,365
Tax assets	9	4,158,492	4,025,053
Other current assets	6	6,145,254	6,258,360
Cash and cash equivalents	10	57,325,611	114,358,453
Total current assets		289,609,875	283,454,964
Assets held for sale	11	10,000	10,000
TOTAL ASSETS		832,527,444	877,776,638
Shareholders' Equity			
Share capital		41,280,000	41,280,000
Valuation reserve		(3,144,270)	(1,097,662)
Other reserves		100,108,831	134,868,962
Treasury shares		(6,095,251)	(4,332,158)
Profit (loss) for the period		(2,936,290)	19,470,926
Net Equity	12	129,213,020	190,190,068
Total Net Equity		129,213,020	190,190,068
Non-current liabilities			
Loans and other financing	13	552,860,403	554,219,913
Other non-current financial liabilities	14	30,517,088	27,641,371
Employee benefits	15	4,526,995	4,564,347
Provisions for risks and charges	16	12,503,395	13,815,818
Deferred tax liabilities	5	19,945	19,945
Other non-current liabilities	18	2,580,263	2,363,830
Total non-current liabilities		603,008,089	602,625,224
Current liabilities			
Loans and other financing	13	14,707,082	11,458,064
Other current financial liabilities	14	37,213,360	33,450,100
Trade payables	17	29,976,914	20,459,338
Tax payables	9	-	2,245,834
Other current liabilities	18	18,408,979	17,348,010
Total current liabilities		100,306,335	84,961,346
Total liabilities		703,314,424	687,586,570
Total Net Equity and liabilities		832,527,444	877,776,638

INCOME STATEMENT

(€)

	NOTE	12/31/2023	12/31/2022
Revenue from contracts with customers	21	111,639,718	141,867,966
Other revenue	22	31,784,617	31,924,560
Total revenue		143,424,335	173,792,526
Costs for services rendered	23	(6,601,109)	(7,780,356)
Personnel expenses	24	(78,813,949)	(86,710,992)
Administrative expenses	25	(40,917,745)	(41,743,850)
Other operating (expense)/income	26	2,303,804	512,202
Depreciation, amortisation and impairment	27	(13,667,315)	(12,413,036)
Provisions for risks and charges	28	(1,731,628)	(2,442,136)
Total costs		(139,427,942)	(150,578,168)
Operating income		3,996,393	23,214,358
Financial (Expense)/Income	29	(23,332,538)	(21,778,346)
Dividends and ordinary similar income	30	22,453,000	21,612,076
Profit (Loss) before tax		3,116,855	23,048,088
Income tax expense	31	(6,053,145)	(3,577,162)
Net profit (loss) from continuing operations		(2,936,290)	19,470,926
Profit (Loss) for the period		(2,936,290)	19,470,926

STATEMENT OF COMPREHENSIVE INCOME

(€)

	12/31/2023	12/31/2022
Profit (Loss) for the period	(2,936,290)	19,470,926
Other comprehensive income after tax not recyclable to profit or loss		
Equity instruments designated at fair value through comprehensive income	(2,006,202)	(1,341,485)
Defined benefit plans	(40,406)	421,568
Other comprehensive income after tax recyclable to profit or loss		
Total other comprehensive income after tax	(2,046,608)	(919,917)
Comprehensive income	(4,982,898)	18,551,009

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Note 12)

AT 12/31/2023

(€)

	Share capital	Valuation reserve	Other reserves		Treasury shares	Net profit (loss) for the period	Total Net Equity
			Reserves from profit and/or withholding tax	Other			
Balance at 1/1	41,280,000	(1,097,662)	25,211,070	109,657,892	(4,332,158)	19,470,926	190,190,068
Dividends and other payout	-	-	-	(28,029,503)	-	(19,470,926)	(47,500,429)
Acquisition of treasury shares	-	-	-	-	(2,115,041)	-	(2,115,041)
Stock options	-	-	303,044	(7,033,672)	351,948	-	(6,378,680)
Comprehensive income of the period	-	(2,046,608)	-	-	-	(2,936,290)	(4,982,898)
Final balance	41,280,000	(3,144,270)	25,514,114	74,594,717	(6,095,251)	(2,936,290)	129,213,020

AT 12/31/2022

(€)

	Share capital	Valuation reserve	Other reserves		Treasury shares	Net profit (loss) for the period	Total Net Equity
			Reserves from profit and/or withholding tax	Other			
Initial balance	41,280,000	(177,745)	50,300,271	119,731,474	(4,678,108)	(534,919)	205,921,273
Allocation of the previous year profit to reserves	-	-	(534,919)	-	-	534,919	-
Dividends and other payout	-	-	(24,996,001)	(14,552,939)	-	-	(39,548,940)
Stock options	-	-	441,419	4,479,357	345,950	-	5,266,726
Comprehensive income of the period	-	(919,917)	-	-	-	19,470,926	18,551,009
Final balance	41,280,000	(1,097,662)	25,211,070	109,657,892	(4,332,158)	19,470,926	190,190,068

CASH FLOW STATEMENT - INDIRECT METHOD

(€)	12/31/2023	12/31/2022
Non-current assets		
Profit (loss) for the period before tax	3,116,855	23,048,088
Adjustments to reconcile the profit (loss) before tax with the net financial flows:	10,382,410	19,822,585
Capital gains/losses on financial assets/liabilities held for trading and on financial assets/liabilities measured at fair through profit or loss (+/-)	2,809,059	915,231
Depreciation, amortisation and impairment	13,419,039	12,440,715
Change in net provisions for risks and charges	1,846,062	2,491,339
Financial (Expense)/Income	20,523,479	20,975,879
Profit/loss on equity interests and investments	(22,453,000)	(21,612,076)
Costs for share-based payments	(5,762,229)	4,611,497
Change in working capital	12,878,284	(14,110,872)
Change in trade receivables	4,027,270	(10,943,481)
Change in trade payables	8,851,014	(3,167,391)
Change in financial assets and liabilities	2,487,087	1,834,215
Financial assets measured at fair value through other comprehensive income	-	(6,548)
Other assets mandatorily measured at fair value	2,302,440	1,837,022
Financial assets measured at amortised cost	184,647	3,741
Other changes:	(18,534,160)	(37,000,617)
Interests paid	(23,989,995)	(23,628,548)
Interests received	8,914,593	4,900,887
Other changes in other assets/other liabilities	(3,458,758)	(18,272,956)
Cash flows generated by operations	10,330,476	(6,406,601)
Investing activities		
Dividends collected on equity investments	22,453,000	21,612,076
Sales of inventories	54,000	-
Purchases of property, plant and equipment	(126,805)	(2,418,326)
Purchases of intangible assets	(5,651,630)	(7,992,795)
Purchases of subsidiaries and business units	(21,520,248)	-
Net cash flows used in investing activities	(4,791,683)	11,200,955
Funding activities		
Issues/purchases of treasury shares	(2,115,041)	-
Distribution of dividends and other	(47,500,429)	(39,548,940)
Repayment of loans	(4,480,124)	-
Collections of loans disbursed	41,186,254	59,672,508
Payment of principal portion of lease liabilities	(5,538,687)	(3,248,855)
Changes in intercompany current account	(44,123,608)	(32,171,191)
Net cash flows used in funding activities	(62,571,635)	(15,296,478)
Net liquidity in the period	(57,032,842)	(10,502,124)
Reconciliation		
Cash and cash equivalents	114,358,453	124,860,577
Net liquidity in the period	(57,032,842)	(10,502,124)
Cash and cash equivalents at the end of the period	57,325,611	114,358,453

ILLUSTRATIVE NOTES





2

ACCOUNTING POLICIES

General information

<i>Name of the reporting entity or other means of identification:</i>	doValue S.p.A.
<i>Headquarters of the entity:</i>	Italy
<i>Legal form of the entity:</i>	Joint-stock company
<i>Country of incorporation:</i>	Italy
<i>Address of the entity's registered office:</i>	Viale dell'Agricoltura, 7 - 37135 Verona
<i>Main place of business:</i>	Italy
<i>Description of nature of entity's operations and principal activities:</i>	The activities of doValue are concentrated on the supply of services for banks and investors through the entire life cycle of loans and Real Estate assets ("Servicing")
<i>Homepage of the reporting entity:</i>	www.dovalue.it
<i>Entity LEI code:</i>	8156007AF7DB5FE05555

STATEMENT OF COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

These Financial Statements as at December 31, 2023 were prepared, in application of Italian Legislative Decree no. 38 of February 28, 2005, in accordance with the IAS/IFRS International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), endorsed by the European Commission, as established by EU Regulation no. 1606 of July 19, 2002, and currently in force, including the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

In terms of interpretation and support in the application, the following documents were used:

- the Conceptual Framework for Financial Reporting;
- Application Guidance, Basis for Conclusions, and any other documents prepared by the IASB or IFRIC to complete the issued accounting standards;
- the interpretative documents on the application of IAS/IFRS in Italy prepared by the Italian Accounting Body (OIC);
- ESMA (European Securities and Markets Authority) and Consob documents that refer to the application of specific provisions in the IFRS.

As required by IAS 8, the paragraph "New accounting standards" reports the new international accounting standards, or amendments to standards already in force, the application of which became mandatory from the 2023 financial year.

The Financial Statements are accompanied by the Certification of the Financial Reporting Officer pursuant to Article 154-bis of Italian Legislative Decree 58/1998 and have undergone an audit by the audit firm EY S.p.A. in accordance with Italian Legislative Decree no. 39 of January 27, 2010.

BASIS OF PREPARATION

The Financial Statements were prepared using the euro as the currency of account, in accordance with Article 5, paragraph 2, of Italian Legislative Decree 38/2005, and consist of:

- the **Financial Statements**, which include the Consolidated Balance Sheet, the Consolidated Income Statement, the Statement of Consolidated Comprehensive Income, the Statement of Changes in Consolidated Shareholders' Equity and the Statement of Cash flows (prepared using the "indirect method");
- the **Illustrative Notes**;

and is accompanied by the relevant comparative information as at December 31, 2022, and the Directors' Report.

In the balance sheet, assets and liabilities are classified on a "current/non-current" basis with assets classified as held for sale and liabilities included in a disposal group classified as held for sale presented separately. Current assets, which include cash and cash equivalents, are those that are expected to be realised, sold or consumed in the Company's normal operating cycle; current liabilities are those that are expected to be settled in the Company's normal operating cycle.

The income statement presents a classification of costs by nature, while a separate statement has been prepared for the statement of comprehensive income.

The cash flow statement is prepared using the indirect method, with cash flows from operating, investing and financing activities presented separately.

The amounts stated are expressed in euro unless otherwise specified.

These Financial Statements have been prepared in application of the framework established by IAS 1 and the specific accounting standards approved by the European Commission and illustrated in the "Main items of the financial statements" section of these Notes.

The Financial Statements were prepared on a going concern basis in accordance with the provisions of IAS 1, and in compliance with the principles of accrual accounting, the relevance and materiality of accounting information and the prevalence of economic substance over legal form and with a view to fostering consistency with future presentations. Assets and liabilities and costs and revenues are not offset against each other unless required or permitted by an International Accounting Standard. Comparative information for the previous year is shown for all figures in the comparative financial statements; changes to comparative figures are only made where they are considered to be material. The criteria adopted in these financial statements as at December 31, 2023, for the recognition, classification, measurement and derecognition of assets and liabilities and the recognition of costs and revenues have not been updated from those adopted in the preparation of the financial statements as at December 31, 2022.

No exceptions were made to the application of IAS/IFRS accounting standards.

SUBSEQUENT EVENTS

In accordance with the provisions of IAS 10, following the closing date of the year and up to the approval of these financial statements, no significant events occurred that would require an adjustment to the results presented in the Financial Statements.

Please refer to the Directors' Report for a description of the significant events occurred after the end of the year.

OTHER MATTERS

Macroeconomic context and Climate-related issues

The continuation of a situation of significant uncertainty associated with the macroeconomic framework, primarily induced by the persistent inflationary pressure and the consequent rise in market interest rates, compounded by the international awareness of climate risk and the related mitigation measures, with unpredictable impacts on the economic and productive system, has mandated careful analysis and continuous monitoring of such indicators.

Specifically, the increase in inflation may have various effects on the distressed debt recovery market:

- value of distressed debts: if inflation rises, the real value of distressed debt decreases over time. Consequently, creditors may be willing to sell distressed debts at discounted prices, as the expected future value of money decreases.
- debtors' repayment capacity: inflation can also influence debtors' ability to repay their debts. If inflation is high, debtors may struggle to make payments due to increased costs of goods and services. This could lead to an increase in distressed debts in the debt recovery market.
- interest rates: if inflation rises, monetary authorities typically tend to increase interest rates to counteract price growth. This could affect returns on investments in the debt recovery market and determine the profitability of recovery activities.
- recovery strategies: inflation may affect the recovery strategies used by debt collection agencies. For example, if debtors are more likely to avoid payments due to rising living costs, agencies may be forced to intensify their recovery efforts to ensure debt recovery.

Interest rates also strongly influence the distressed debt recovery market:

- volume of distressed debts: interest rates can affect debtors' ability to repay their debts. When rates are low, debtors may be more inclined to repay their loans as debt costs are lower. Conversely, higher rates may increase financial pressure on debtors, leading to an increase in distressed debts.
- value of distressed debts: when rates are low, distressed debts may have lower value as it is cheaper for debtors to find alternatives to repay the debt. However, when rates are high, the value of distressed debts may increase as debtors may struggle to repay the debt and may be willing to sell their debts at discounted prices.
- recovery activities: when rates are low, debt collection agencies may be less aggressive in recovering debts as debtors may be more able to repay their debts. However, when rates are high and debtors are experiencing financial difficulties, debt collection agencies may intensify their recovery efforts.

- yield rates of investments in distressed debts: when rates are low, investors may seek better returns by investing in distressed debts, as other forms of investment may offer lower returns. Conversely, when rates are high, investors may prefer other safer and more profitable investment opportunities.

In general, both the aforementioned factors can influence the Company's reference markets from a forward-looking perspective, and this has been taken into account by incorporating their trends into the assumptions of the Industrial Plan 2024-2026. In particular, the assumed trends of interest rates and prospective inflation have been incorporated at various levels:

- a) in the volume of collections in each individual country;
- b) in the ability to carry out restructuring operations of positions under management;
- c) considering the inflation levels on the prices of assets securing the debtor positions under management;
- d) on increases in cost bases (such as utility prices);
- e) by incorporating the increase in interest rates on hypothetical financial resource gathering operations both in the capital market and in the banking market.

In the closing process as of December 31, 2023, these factors influenced the following points to varying degrees:

- a) impairment test: current market conditions, which discount a "risk-free" rate on average higher than in previous exercises, were taken into account in constructing the discount rate, WACC. Stress conditions were also applied to the yield curve up to a maximum of 200 basis points; fair value evaluation of securities: future cash flows were discounted by updating the Euribor
- b) yield curve based on individual maturities;
as mentioned earlier, the inflation rate has already been incorporated as an event affecting
- c) debtors' ability to repay their debt and thus embedded in the collection levels underlying the Company's gross revenue calculation;
the inflation rate was used in the evaluation of liabilities and benefits expected from defined
- d) benefit plans within the Italy and Greece perimeter.

With regard to risks related to climate change, the Company is deepening evaluations of potential impacts on the business with a goal of continuous monitoring.

The Group's Group Enterprise Risk Management function ensures integrated risk management, acting as a facilitator for the Group's growth and development by identifying and mitigating potential risks that may impact the Group.

Regarding operations, therefore, doValue assesses the possibility of climate risks affecting, for example, properties under management (REO business) and currently believes that this issue cannot significantly impact the Company as its business model does not involve ownership of assets but rather their function as collateral for managed debt.

Having said that, the Company will continue to monitor the evolution of climate change risks with an approach that takes into account applicable and emerging regulations, as well as its role as a service provider to the financial system.

Going concern

In preparing the Financial Statements as at December 31, 2023, the Directors consider the going concern assumption appropriate as, in their opinion, despite the uncertainties linked to the current macroeconomic environment, no uncertainties have emerged related to events or circumstances that, considered individually or as a whole, could give rise to doubts regarding the business as a going concern. The assessment took into account the Company's equity, financial position as well as the outlook of the operations; the possible presence of events or conditions linked to the climate, which may have an impact on the Company as a going concern was also assessed, also noting the absence of such cases.

Please also refer to the specific paragraph of the Directors' Report.

RISKS AND UNCERTAINTIES ASSOCIATED WITH THE USE OF ESTIMATES

The application of accounting policies sometimes involves the use of estimates and assumptions that affect the amounts recorded in the financial statements and the disclosures regarding contingent assets and liabilities. For the purposes of the assumptions underlying estimates, we consider all information available at the date of preparation of the financial statements and any assumptions considered reasonable in the light of past experience and current conditions in the financial markets.

More specifically, estimation processes were adopted to support the book value of certain items recognised in the Financial Statements as at December 31, 2023, as required by accounting standards. These processes are essentially based on estimates of future recoverability of the values recognised and were conducted on a going concern basis. These processes supported the book values recognised as at December 31, 2023. Estimates and assumptions are reviewed regularly.

By to their nature, the estimates and assumptions used, while reasonable, may not be confirmed in future scenarios in which the Company operates, and therefore the results that will materialize in the future may differ from the estimates made for the purpose of preparing the financial statements, with the consequent probable need to make adjustments that are currently neither predictable nor estimable with respect to the book value of the assets and liabilities recognised in the financial statements.

The following sections discuss the key accounting policies for the purposes of providing a true and fair representation of the Company's financial position and performance, both with regard to the materiality of the values in the financial statements and the considerable judgement required in performing the assessments.

Estimation of presumed impairment losses in relation to controlling interests

Impairment testing is performed at least quarterly on equity investments in subsidiaries.

Through the DCF method (known as Discounted Cash Flow) it is possible to determine the value of the investment through the sum of its future cash flows, discounted using a special rate.

For the purposes of carrying out the tests, forward-looking information determined in accordance with the new 2024-2026 Group Business Plan approved by the Board of Directors on March 20, 2024 was considered. However, it should be noted that the parameters and information used to test the recoverability of equity investments (in particular the cash flow forecast for the various subsidiaries, as well as the discount rates used) are significantly influenced by macroeconomic conditions and market developments as well as the behaviour of counterparties, which could change unpredictably. doValue, while taking into account the difficulty inherent in formulating forecasts, even in the short or medium term, in the current climate of significant uncertainty, carried out the impairment test as indicated by the international accounting standard IAS 36 "Impairment of assets".

The test was conducted on the book value as at December 31, 2023 of the equity investments of the subsidiaries doValue Spain and doValue Greece and did not reveal any impairment losses.

Specifically, the discounting rate is the WACC (weighted average cost of capital), at 7.2% for doValue Spain and 7.8% for doValue Greece.

For the sake of completeness, analysis was also carried out on the sensitivity of values obtained with the DCF method in relations to changes in the average cost of capital (WACC), the long-term sustainable growth rate as well as EBITDA and cash flows. This analysis confirmed that even in the event of stress, no impairments were identified.

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

Sales revenues associated with servicing contracts for the recovery of receivables managed under mandate are recognised on an accruals according to based on the activities carried out by the Company, using IT procedures and complex accounting processes that take account of the different contractual terms of each mandate. Servicing contracts contain numerous clauses specifying the rights and duties of doValue in relations with the participating customers, which can generate income on the one hand and contingent liabilities on the other connected with the possibility of non-performance of contractual obligations.

The amount of the estimated variable consideration is included in the transaction price in total or only to the extent that it is highly probable that when the uncertainty associated with the variable consideration is subsequently resolved, a significant downward adjustment of the amount of the cumulative revenues recorded will not occur.

At end of the period, revenues accrued that have not yet been manifestly accepted by the customer are recognised. Depending on the terms of contract and the established practice, that acceptance may take the form of the issuance of an invoice or an explicit notice.

At the date of the preparation of these Financial Statements, the portion of servicing revenues without such manifest acceptance amounted to 18% of total amounts to be invoiced as at December 31, 2023 and to 8% of the aggregate item Total Revenues in the income statement.

In addition, any certain or contingent liabilities must be prudentially determined in order to assess compliance with the obligations set out in the servicing contracts, taking due account of natural differences in interpretation of contractual clauses in the context of actual recovery operations.

Determination of the fair value of financial assets

In the presence of financial instruments not listed on active markets or illiquid and complex instruments, it is necessary to adopt appropriate valuation processes that require the use of a certain degree of judgement concerning the choice of valuation models and the related input parameters, which may sometimes not be observable on the market.

A degree of subjectivity is present in the valuation on whether it is possible to observe or not certain parameters and the consequent classification in correspondence with the levels of the fair value hierarchy.

With particular reference to valuation methods and the unobservable inputs that may be used in fair value measurements, please see the specific Section "Information on fair value".

Estimation of the recoverability of deferred tax assets

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

Estimation of provisions for risks and charges

The complexity of the situations that underline the existing disputes, along with the difficulties in the interpretation of applicable law, makes it difficult to estimate the liabilities that may result when pending lawsuits are settled. The valuation difficulties concern what may be due and how much time will elapse before liabilities materialise and are particularly evident if the procedure launched is in the initial phase and/or its preliminary investigation is in progress.

Information about the Company's main risk is provided in the "Legal and Tax risks" paragraph of the "Information on Risks and Risk Management Policies" section.

NEW ACCOUNTING STANDARDS

The Company has adopted for the first time a number of accounting standards and amendments in preparing these Financial Statements that took effect for financial years beginning as from January 1, 2023, with a list of them set out below, showing that they did not have any substantial effect on the balance sheet and income statement figures reported:

- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued on May 23, 2023);
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information (issued on December 9, 2021);
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on May 7, 2021);
- Amendments issued by the IASB on February 12, 2021:
 - Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies;
 - Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates;
- IFRS 17 Insurance Contracts (issued on May 18, 2017); including Amendments to IFRS 17 (issued on June 25, 2020).

Regarding Amendment to IAS 1, in order to enhance the disclosure on accounting policies and information on accounting principles deemed relevant for understanding financial data, an analysis has been conducted which has led to a revision of the section titled "Material accounting policy information," previously referred to as "Main items of the financial statements" until the Annual Financial Report as of December 31, 2022.

On October 25, 2023, ESMA (European Securities and Markets Authority) issued a Public Statement announcing the priorities that listed issuers should focus on in preparing their IFRS 2023 financial statements, with particular attention to matters related to climate and the macroeconomic environment.

The main accounting standards and interpretations that have been endorsed by the European Union but are not yet effective as at December 31, 2023 (as they will be effective from January 1, 2024) and for which the Company has not made use of the early application provisions, if any, are listed below:

- Amendments to IAS 1 Presentation of Financial Statements:
 - Classification of Liabilities as Current or Non-current (issued on January 23, 2020);
 - Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on July 15, 2020);
 - Non-current Liabilities with Covenants (issued on October 31, 2022).
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on September 22, 2022).

Lastly, the new accounting standards, amendments and interpretations issued by IASB, but still not endorsed by the European Union, are reported below:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023);
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on May 25, 2023).

Material accounting policy information

INTANGIBLE ASSETS

Recognition criteria

Intangible assets are non-monetary assets with multi-year utility, are identifiable, lack physical substance, are controlled by the company and will probably generate future economic benefits.

Intangible assets mainly relate to goodwill, software, trademarks and patents.

Intangible assets are recognised at the purchase cost, including any direct costs incurred to prepare the asset for use, net of accumulated amortisation and any impairment. For cloud computing agreements covered by IAS 38, the purchase cost is to the present value of the payments due.

Any expenses incurred subsequent to the acquisition:

- are recognised as an increase in the initial cost if they increase the future economic benefits of the underlying assets (i.e. if they increase their value or productive capacity);
- are recognised entirely through profit or loss for the year in which they are incurred in other cases (i.e., when they do not increase the original value of the assets, but merely conserve the original functionality).

Measurement criteria

Intangible assets with definite useful life are amortised at constant rates over their useful life.

Intangible assets with indefinite useful life are not amortised.

The amortisation period and the amortisation method for an intangible asset with a definite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or in the manner in which the future economic benefits associated with the asset will be realised are recognised through changes in the period or method of amortisation, as appropriate, and are considered changes in accounting estimates. The amortisation of intangible assets with a definite useful life is recognised in the income statement under "Amortisation, depreciation and impairment". If there is objective evidence that an individual asset may have incurred an impairment loss, the carrying amount of the asset is compared with its recoverable amount, which is equal to the higher of its fair value less costs to sell and its value in use, understood as the present value of expected future cash flows originated by the asset. Any value adjustments are recognised in the income statement under "Depreciation, amortisation and impairment".

For intangible assets with indefinite life, the carrying amount is compared with the recoverable amount on an annual basis even if no evidence of impairment is found. If the carrying amount is greater than the recoverable amount, a loss is recognised in the income statement under "Depreciation, amortisation and impairment" in an amount equal to the difference between the two values. The assessment of indefinite useful life is reviewed annually to determine whether this attribution continues to be sustainable, otherwise, the change from indefinite to definite useful life is applied on a prospective basis.

If the value of a previously written-down intangible asset other than goodwill is written back, the new carrying amount shall not exceed the net carrying amount that it would have had if no impairment loss had been recognised on the asset in previous years.

Derecognition criteria

An intangible asset is derecognised on disposal (i.e. on the date on which the acquirer obtains control of it) or when no future economic benefits are expected from its use or disposal. Any difference between the disposal value and the book value is recognised in the income statement under "Depreciation, Amortisation and Impairment".

PROPERTY, PLANT AND EQUIPMENT

Recognition and classification criteria

The item includes:

- land and buildings
- furniture and fixtures
- plant and machinery
- other machinery and equipment

and it breaks down into the following categories:

- assets used in the business;
- investment property.

Rights of use of property, plant and equipment acquired with leasing contracts are also recorded under this item, as lessees, regardless of their legal classification.

Assets used in the business have physical substance, are held for use in production or in the provision of goods and services or for administrative purposes and can be used for more than one financial period. Improvements to leasehold assets are improvements and incremental expenses for identifiable and separable items of property, plant and equipment. In this case, the assets are classified in specific sub-items (e.g. plant), depending on the nature of the asset in question. Normally, these investments are incurred in order to render properties leased from third parties suitable for their intended use.

Investment property refers to real estate investments pursuant to IAS 40, i.e. properties held (owned outright or held through a finance lease) in order to earn rentals and/or for capital appreciation.

Property, plant and equipment is initially recognised at cost, including all charges directly attributable to the "commissioning" of the asset (transaction costs, professional fees, direct costs to transport the asset to the assigned location, installation costs, dismantling costs).

Expenses incurred subsequently are added to the carrying amount of the asset or recognised as separate assets if it is probable that future economic benefits will be received in excess of those initially estimated and the cost can be reliably determined.

All other expenses incurred subsequently (e.g. ordinary maintenance) are recognised in the income statement for the period in which they are incurred, under the item:

- Administrative expense, if pertaining to assets used in the business;

or

- Depreciation, amortisation and impairment, if pertaining to investment property.

The initial measurement of the asset entailing the right-of-use includes the current value of the future payments due for leases, the payments due for the lease carried out on the date or prior to the date the contract began, the initial direct costs and any estimated costs for the dismantling, removal or restoration of the asset underlying the lease, less any bonuses received by the lessee for the lease.

Measurement criteria

Subsequent to initial recognition, property, plant and equipment is recognised at cost net of cumulative depreciation and impairment.

Assets with definite useful life are depreciated at constant rates over their useful life.

Assets with indefinite useful life are not depreciated.

The useful life of property, plant and equipment is reviewed at the end of each period, taking into account the conditions of use of the asset, the state of maintenance and expected obsolescence, as well as considering the impact of legislation on health, safety and environmental issues and, if these expectations differ from previous estimates, the depreciation charge for the current period and subsequent periods is adjusted.

If there is objective evidence that an individual asset may have incurred an impairment loss, the carrying amount of the asset is compared with its recoverable amount, which is equal to the higher of an asset's fair value less costs to sell and its value in use, understood as the present value of expected future cash flows originated by the asset. Any value adjustments are recognised under "Amortisation, depreciation and impairment" in the consolidated income statement.

If the value of a previously written-down asset is written back, the new carrying amount cannot exceed the net carrying amount that it would have had if no impairment loss had been recognised on the asset in previous years.

The rights of use recorded under the assets relating to properties acquired through leases (IFRS 16) will be subject to periodic assessments for impairment on the basis of both the expected use and any market indications with respect to the cost to be incurred for the lease payments.

Derecognition criteria

Property, plant and equipment is derecognised on disposal (i.e. on the date on which the acquirer obtains control of it) or when, for the same, no future economic benefits are expected from its use or disposal. Any difference between the disposal value and the book value is recognised in the income statement under "Depreciation, Amortisation and Impairment".

Equity investments

The criteria for initial recognition and subsequent measurement of equity investments are governed by IFRS 10 – Consolidated Financial Statements, IAS 27 – Separate Financial Statements, IAS 28 – Investments in Associates and Joint Ventures, and IFRS 11 – Joint Arrangements.

The remaining equity investments – other than subsidiaries, associates and joint ventures, and any reported under Assets held for sale and Liabilities associated with assets held for sale – are classified among financial assets depending on the category to which they belong.

Subsidiaries

Entities in which doValue holds direct or indirect control are considered subsidiaries. Control over an entity is achieved when the Company is exposed to or entitled to variable returns from its relationship with the entity being invested in and, at the same time, has the ability to affect those returns by exercising its power over that entity.

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

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

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

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

The Company reconsiders whether or not it has control of an investee if facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control. Consolidation of a subsidiary begins when the Company obtains control and ceases when the Company loses control.

FINANCIAL ASSETS

Financial assets measured at fair value through profit or loss

Recognition criteria

Financial assets are initially recognised at the settlement date for debt securities and equities, at the disbursement date for loans.

In particular, at the time of settlement date accounting, any change in the fair value of the asset to be received in the period between that date and the previous trading date is recognised in the same way as for the asset purchased.

Upon initial recognition, financial assets measured at fair value through profit or loss are recorded at fair value, which is represented, unless otherwise specified, by the consideration paid for the execution of the transaction, without considering transaction costs or income directly attributable to the instrument itself.

Classification criteria

Financial assets other than those classified under Financial assets measured at fair value through comprehensive income or Financial assets measured at amortised cost are classified in this category. The item includes:

- financial assets that are mandatorily measured at fair value, which are represented by financial assets that do not meet the requirements for measurement at amortised cost or at fair value through comprehensive income. These are financial assets whose contractual terms do not exclusively provide for repayments of capital and payments of interest on the amount of capital to be repaid (failed "SPPI test") or which are not held as part of a business model whose intent is to hold assets in order to collect contractual cash flows ("Hold to Collect" business model) or whose intent is achieved through the collection of contractual cash flows or through the sale of the financial assets ("Hold to Collect and Sell" business model);
- financial assets designated at fair value, i.e., financial assets so designated on initial recognition and for which the conditions are met. In this case, an entity may irrevocably designate a financial asset as measured at fair value through profit or loss on initial recognition if, and only if, doing so eliminates or significantly reduces a measurement inconsistency;
- financial assets held for trading, mainly represented by the positive value of derivative contracts held for trading purposes.

Accordingly, this item reports:

- debt securities and loans held as part of a "Hold to Collect" or "Hold to Collect and Sell" business model, but whose cash flows are not represented solely by payments of principal and interest (in other words, they do not pass the SPPI test);
- units of undertakings for collective investment (CIUs);
- equity instruments - which do not represent interests in a subsidiary, associate or joint arrangement - for which the Group does not apply the permitted option, at the time of initial recognition, to designate the instrument as measured at fair value through comprehensive income;
- non-hedging derivatives.

Measurement criteria

Following initial recognition, financial assets measured at fair value through profit or loss are measured at fair value. The effects of the application of this measurement criterion are recognised in the income statement.

For the criteria used to determine fair value, please see the section "Information on fair value".

Derecognition criteria

Financial assets are only derecognised if the sale involves the transfer of substantially all the risks and benefits associated with the assets themselves. If a significant portion of the risks and benefits of the transferred financial assets has been retained, those assets continue to be recorded in the financial statements, even if ownership of the assets themselves has been effectively transferred.

If it is not possible to ascertain the substantial transfer of the risks and benefits, the financial assets are derecognised if no form of control over them has been retained. Otherwise, the retention, also

partially, of such control requires the entity to continue to recognise the assets in an amount equal to the residual continuing involvement, measured by the exposure to changes in the value of the transferred assets and to changes in their cash flows.

Finally, the transferred financial assets are derecognised if the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay only those flows, without material delay to other recipients.

Financial assets measured at fair value through comprehensive income

Recognition criteria

Financial assets are initially recognised at the settlement date as regards equities.

In particular, at the time of settlement date accounting, any change in the fair value of the asset to be received in the period between that date and the previous trading date is recognised in the same way as for the asset purchased.

Upon initial recognition, financial assets measured at fair value through comprehensive income are recorded at fair value, which is represented, unless otherwise specified, by the consideration paid for the execution of the transaction, without considering transaction costs or income directly attributable to the instrument itself.

Classification criteria

Financial assets other than those classified under Financial assets measured at fair value through profit and loss or Financial assets measured at amortised cost are classified in this category.

This item includes therefore the equity instruments - which do not represent holdings in a subsidiary, associate or joint arrangement - for which the Group does not apply the permitted option, at the time of initial recognition, to designate the instrument as measured at fair value through comprehensive income.

Measurement criteria

Following initial recognition, financial assets measured at fair value through comprehensive income are measured at fair value. The effects of the application of this measurement criterion are recognised in the Statement of Comprehensive Income and disclosed under Valuation reserves in shareholders' equity.

For the criteria used to determine fair value, please see the section "Information on fair value".

Derecognition criteria

Financial assets are only derecognised if the sale involves the transfer of substantially all the risks and benefits associated with the assets themselves. If a significant portion of the risks and benefits of the transferred financial assets has been retained, those assets continue to be recorded in the financial statements, even if ownership of the assets themselves has been effectively transferred.

If it is not possible to ascertain the substantial transfer of the risks and benefits, the financial assets are derecognised if no form of control over them has been retained. Otherwise, the retention, also partially, of such control requires the entity to continue to recognise the assets in an amount equal to the residual continuing involvement, measured by the exposure to changes in the value of the transferred assets and to changes in their cash flows.

Finally, the transferred financial assets are derecognised if the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay only those flows, without material delay to other recipients.

Impairment of financial assets

Pursuant to IFRS 9, at each reporting date financial assets other than those measured at fair value through profit or loss undergo an assessment to determine whether there is evidence that the carrying amount of the assets cannot be fully recovered. An analogous analysis is conducted for commitments to disburse funds and for guarantees issued that fall within the scope of the impairment provisions of IFRS 9.

If evidence of impairment is found, the financial assets in question - consistently, where present, with all other assets pertaining to the same counterparty - are considered impaired and are classified in stage 3. These exposures require the recognition of write-downs equal to the expected losses over their residual life.

Financial assets for which there is no evidence of impairment (unimpaired financial instruments) shall be evaluated to determine whether there is evidence that the credit risk of the individual transaction has increased significantly since initial recognition. Following this assessment, the assets shall be classified (or, more properly, staged) as follows:

- where these indicators exist, the financial asset is classified in stage 2. Such valuation, consistent with the provisions of the international accounting standards and even in the absence of manifest impairment, requires for the recognition of write-downs equal to the expected losses over the residual life of the financial instrument;
- where these indicators are not present, the financial asset is classified in stage 1. Such valuation, consistent with the provisions of the international accounting standards and even in the absence of manifest impairment, requires the recognition of expected losses, for the specific financial instrument, over the following 12 months.

The Company's impairment process is applied to financial assets measured at amortised cost, which may include: loans, trade receivables, debt securities and financial assets measured at fair value through other comprehensive income including the equities - not qualifying as control, connection and joint control - for which the Company applies the option envisaged, on initial recognition, for designation at fair value through other comprehensive income.

For trade receivables, in consideration of the provisions of IFRS 9 (paragraphs 5.5.15-16) and the immateriality of the financing component of such receivables, the Group has opted for the "Simplified Approach" that essentially provides for the calculation of total lifetime expected losses for the financial asset. Given that the residual life of trade receivables is generally less than one year, the 12-month and lifetime expected losses are the same.

Trade receivables and Other current assets

Current items essentially include receivables generated by the provision of non-financial services, items awaiting settlement and items that are not attributable to other items in the balance sheet, including tax items other than those recognised in a separate item, and accrued income other than that which must be capitalised in the related financial assets, including that deriving from contracts with customers pursuant to IFRS 15, paragraphs 116 et seq.

For the impairment of trade receivables, in consideration of the provisions of IFRS 9 (paragraphs 5.5.15-16) and the lack of importance of the financial component of such receivables, the Company opted for the "Simplified Approach" as described above.

Current and deferred taxes

Recognition criteria

Current tax assets and current tax liabilities are recognised in the balance sheet respectively, in Tax assets on the assets side and Tax liabilities on the liabilities side, while those deferred are recognised in Deferred tax assets and Deferred tax liabilities, respectively.

In application of the "balance sheet method", items for current and deferred taxes include:

- current tax assets, i.e. excess payment of tax liabilities on the basis of current tax laws governing corporate income;
- current tax liabilities, i.e. tax liabilities to be settled on the basis of current tax laws governing corporate income;
- deferred tax assets, i.e. amounts of income taxes recoverable in future periods as a consequence of:
 - temporary deductible differences (represented mainly by costs deductible in future periods on the basis of current tax laws governing corporate income);
 - unutilised tax losses carried forward;
 - unutilised tax credits carried forward;
 - except in cases where:
 - the deferred tax asset connected to the temporary deductible differences derives from the initial recognition of an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction itself, does not affect the balance sheet result or the result tax;
 - in the case of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that they will be reversed in the foreseeable future and that there will be sufficient taxable amounts that allow recovery of these temporary differences;
 - deferred tax liabilities, i.e. income tax liabilities to be settled in future periods as a consequence of temporary taxable differences (mainly represented by the deferral of taxation of revenues or the advance deduction of charges on the basis of current tax laws governing corporate income) except in cases when:

- deferred tax liabilities derive from the initial recognition of goodwill or of an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction itself, does not affect the balance sheet result or the tax result;
- the reversal of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures can be controlled, and it is probable that it will not occur in the foreseeable future.

In general, deferred tax assets and liabilities arise in the cases in which the deductibility or taxability of a cost or revenue is deferred with respect to their recognition for accounting purposes.

Current tax items include payments on account (current assets) and liabilities to settle (current liabilities) for income taxes for the period. Current tax liabilities and the associated receivables for payments on account still outstanding at the end of the year are recognised as a net amount in a single item.

Deferred tax assets and liabilities are recognised in the balance sheet in their full amount without offsetting.

Measurement criteria

Current tax assets and liabilities are recognised by applying current tax rates and are recognised as charges (income) using the same accrual criteria adopted for the costs and revenues, which generated them. In particular, the current IRES and IRAP taxation has been calculated by applying the tax rates established by the laws in force in each Country.

Deferred tax assets and liabilities are recognised on the basis of the tax rates that, at the end of the reporting date, are expected to be applicable in the period in which the asset will be realised or the liability will be eliminated, in accordance with current tax legislation. They are periodically reviewed in order to take account of any regulatory changes.

Deferred tax assets are only recognised if their recovery through expected future taxable income is probable, measured on the basis of the Group's ability to produce taxable income in future financial years. Deferred tax liabilities are always recognised. A requirement for the recognition of deferred tax assets is that it is considered reasonably certain in view of corporate developments that taxable income will be generated against which the temporary deductible differences will be used. In accordance with the provisions of IAS 12, the probability that future taxable income will be sufficient to utilise the deferred tax assets is subject to periodic review. If that review suggests that future taxable income will be insufficient, the deferred tax assets are reduced in a corresponding amount. Current and deferred taxes are recognised in the income statement under Income tax expense, with the exception of taxes, which refer to items that are credited or debited, in the same or another financial year, directly in shareholders' equity, whose changes in value are recognised directly in valuation reserves in the Statement of comprehensive income.

Derecognition criteria

Deferred tax assets and liabilities are derecognised at the time they are recovered/realised.

Loans and other financing and Other financial liabilities

Recognition and classification criteria

The indicated items include financial liabilities valued at amortised cost, represented by amounts due to banks, amounts due to other lenders and securities issued, as well as financial instruments initially recognised at fair value with changes recognised in the income statement.

Liabilities recognised by the entity as a lessee in lease transactions are also included.

These financial liabilities are recognised at the settlement date and initially recognised at fair value, which normally corresponds to the consideration received, net of transaction costs directly attributable to the financial liability.

Measurement criteria

After initial recognition, financial liabilities, except those recognised at fair value with changes recognised in the income statement, are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liability is extinguished, as well as through the amortisation process.

Amortised cost is calculated by recognising the discount or premium on the acquisition and the fees or costs that form part of the effective interest rate. Amortisation at the effective interest rate is included in financial expense in the income statement.

Exception is made for short-term liabilities, for which the time factor is negligible, which continue to be carried at the amount received.

Derecognition criteria

A financial liability is derecognised when the obligation underlying the liability is extinguished, cancelled or fulfilled. If an existing financial liability is replaced by another from the same lender, under substantially different conditions, or the conditions of an existing liability are substantially modified, this exchange or modification is treated as a derecognition of the original liability, accompanied by the recognition of a new liability, with any differences between the carrying amounts recognised in profit or loss.

Provisions for risks and charges

Recognition criteria

Provisions for risks and charges consist of liabilities recognised when:

- the company has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no liability is recognised.

The item includes provisions for legal obligations or connected with an employment relationship or disputes, including tax disputes, arising from a past event, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits, assuming that a reliable estimate can be made of the amount.

The potential liabilities for employees are also accounted for.

Where the time element is significant, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the specific risks of the liabilities. The provision can be recognised in the income statement under the item "Provisions for risks and charges" and also includes the interest expense accrued on the provisions that have been discounted or, for certain specific types of provision, as an offsetting entry to other items in the Income Statement.

Measurement criteria

The amounts allocated to provisions are determined so that they represent the best estimate of the expense required to settle the obligation. The estimate is determined by considering the risks and uncertainties pertaining to the facts and circumstances involved.

Specifically, when the effect of deferring the charge in time is significant, the amount of the provision is determined as the present value of the best estimate of the cost assumed necessary to extinguish the obligation. In this case, the discount rate used reflects current market assessments.

Provisions are periodically reviewed and adjusted if necessary to reflect the current best estimate. When, following a review, it is found that the charge is unlikely to be incurred, the provision is reversed.

Derecognition criteria

A provision is used only against the charges for which it was initially recognised.

Provisions for the year, recognised under Provisions for risks and charges in the income statement, include increases in provisions due to the passage of time and are reported net of any reversals.

Employee benefits

Classification criteria

Employee benefits, in addition to short-term benefits such as wages and salaries, relate to:

- post-employment benefits;
- other long-term benefits.

Post-employment benefits are in turn divided between those based on defined-contribution plans and those based on defined-benefit plans, depending on the expected benefits:

- defined-contribution plans are post-employment benefit plans under which fixed contributions are made, with no legal or constructive obligation to pay further contributions if there are insufficient assets to meet all the benefits;
- defined-benefit plans are post-employment benefit plans other than defined-contribution plans.

In this context, in Italy under Italian Law No. 296 of December 27, 2006 (2007 Finance Act):

- the severance indemnity (trattamento di fine rapporto - TFR) accruing from January 1, 2007, is a defined-contribution plan, which does not require actuarial calculation. The shares accrued can be allocated, at the employee's choice, (i) to forms of supplementary pension schemes or (ii) left in the company and paid into the INPS treasury fund.
- the TFR accrued at the dates indicated in the previous point remains instead as a defined-benefit plan, even if the benefit has already been fully accrued. As a result, an actuarial recalculation of the value of the debt at each date after December 31, 2006 is necessary.

Other long-term employee benefits are employee benefits that are not payable wholly within twelve months after the end of the period in which the employees render the service.

Recognition and measurement criteria

The value of a defined-benefit obligation is equal to the present value of the future payments, expected to be required to settle the obligation arising from the employee's service in the current and prior periods.

This present value is determined using the "Projected Unit Credit Method". This method uniformly distributes the cost of the benefit over the working life of the employee, taking into account the provisions of the national law in each country.

Employee benefits that qualify as other long-term benefits, such as those arising from seniority bonuses that are paid on achievement of a pre-determined length of service, are recorded on the basis of the valuation at the balance sheet date of the liability assumed, determined using the "Projected Unit Credit Method".

The TFR provision is recorded under liabilities in the corresponding item "Employee benefits", while other post-employment benefits and sundry long-term benefits are recorded under "Provisions for risks and charges".

The costs of servicing the programme (service costs) are recorded under personnel expenses, as are interest costs.

Actuarial gains and losses (remeasurements) relating to post-employment defined-benefit plans are recognised in full under equity reserves in the year in which they occur. These actuarial gains and losses are shown in the Consolidated Statement of Comprehensive Income, as required by IAS 1. Actuarial gains and losses (remeasurements) relating to other long-term benefits are recognised in full under staff expenses in the period in which they occur.

Revenues from contracts with customers and other revenues

Revenues from sales linked to servicing contracts for the recovery of receivables managed under mandate are recognised on an accrual basis in accordance with IFRS 15 (hereinafter also the "Standard").

Recognition criteria

The model used for recognition of the servicing revenues is aligned with fulfilment of the performance obligation.

In many cases, this alignment is already provided for under the contract, therefore:

- if the commissions are paid on a one-off basis in order to pay for the supply of a service that is provided "at a certain time", they will be recognised as revenues when they are received;
- if the commission is paid over time in order to pay for a service that is provided over time, it will be recognised as revenues upon receipt.

However, if the commission is received in advance in exchange for a service obligation that is provided over time, in various reporting periods, the overall amount of the commission will be put into the financial statements and will be recognised as revenues over the applicable period in which the service is supplied. In these cases, the commission will be recognised as revenues in the income statement in proportion to the time (i.e. on a pro rata basis).

Sales revenues associated with servicing contracts for the recovery of receivables managed under mandate are recognised on an accruals basis according to the activities carried out, using IT procedures and complex accounting processes that take account of the different contractual terms of each mandate. The servicing contracts envisage complex clauses of rights and obligations for the Company in relations with participating customers.

In the summaries for the period, revenues accrued in the period that have not yet been manifestly accepted by the customer are recognised. Depending on the terms of contract and the established practice, that acceptance may take the form of the issuance of an invoice or an explicit notice.

Measurement criteria

The Standard requires the entity to take account of the terms of the contract and its standard commercial practices to establish the price of the transaction. The price of the transaction is the amount of consideration that the entity believes it has the right to in exchange for the transfer to the customer of the goods or services promised. The consideration promised in the contract with the customer can include fixed amounts, variable amounts or both.

In order to calculate the price of the transaction, the entity must consider the effect of all the following elements:

- a) variable consideration;
- b) limitation of the estimates of the variable consideration;
- c) existence in the contract of a significant loan component;
- d) non-monetary consideration; and
- e) consideration to pay to the customer.

In particular, the contract consideration is variable as a result of refunds, discounts, rebates, incentives, credits, price concessions, performance bonuses, penalties or other similar items and may be contingent on the occurrence or non-occurrence of a future event. In the presence of variable consideration, revenue is recognised when it is possible to reliably estimate the revenue and only if it is highly probable that this consideration will not be reversed from the income statement, in whole or in a significant part, when the uncertainty associated with the variable consideration is subsequently resolved.

Within the scope of the main servicing contracts of the Company, the following types of commissions are considered variable:

- Performance, extra-performance and basis commission: linked to the assets managed and the reaching collection targets, respectively;
- Transfer compensation and staff compensation: linked to the occurrence of the portfolio transfer event and at the discretion of the customer.

With respect to the variable consideration estimation limit, variable commissions that depend on the occurrence of a future event are not recorded in the income statement before being ascertained through an estimation of them since the occurrence of the uncertainty (or the occurrence of the event) could mean the complete reversal of the estimated revenue if it had been previously recognised.

In the case of receipt of advance payments from customers, there is a significant financing component in view of the time lag between the date on which the payment made by the customer is received and the transfer of the service, as well as the prevailing market rates. Therefore, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (e.g. the interest rate that returns the spot price of the equipment to the value paid in advance). This rate is commensurate with the rate that would have been used in a separate financial transaction between the Company and the customer on the date the contract was signed.

The Company applies the practical expedient for short-term advances received from customers. The amount of the promised consideration is not adjusted for material financial items if the period between the transfer of the promised goods or services and payment is less than or equal to one year.

With respect to point d), the Company does not have any clauses in its servicing contracts that would lead to the identification of these cases.

Other information

Treasury shares

Changes in treasury shares in the portfolio are recognised directly in shareholders' equity, i.e. reducing the latter by the value of purchases and increasing it by the value of sales.

This means that in the case of a subsequent transfer the difference between the sales price of the treasury shares and the associated repurchase cost, net of any tax effects, is fully recognised in shareholders' equity.

Share-based payments

Share-based payments are payments made to employees or comparable persons as payment for work or other services/assets received, based on shares representing capital, which consist in the grant of rights to receive shares upon meeting quantitative/qualitative objectives.

The cost of transactions settled with equity instruments is determined by the fair value at the date of the assignment. The fair value of payments settled through the issue of shares is based on their stock market price. This cost, together with the corresponding increase in shareholders' equity under Other Reserves, is recognised under Personnel expenses over the period in which the conditions relating to the achievement of objectives and/or the provision of the service are met. The cumulative costs recognised for these transactions at the end of each financial year up to the vesting date are commensurate with the expiry of the vesting period and the best estimate of the number of equity instruments that will actually accrue. The cost or revenue in the statement of profit/(loss) for the year represents the change in the cumulative cost recorded at the beginning and at the end of the year.

Service or performance conditions are not taken into account when determining the fair value of the plan at the award date. However, the probability that these conditions will be met is taken into account when defining the best estimate of the number of capital instruments that will accrue. Market conditions are reflected in the fair value at the award date. Any other plan-related condition that does not result in a service obligation is not considered an accrual condition. Non-vesting conditions are reflected in the fair value of the plan and result in the immediate recognition of the cost of the plan unless there are also service or performance conditions.

No cost is recognised for rights that do not reach maturity because performance and/or service conditions are not met. When rights include a market condition or a non-vesting condition, they are treated as if they had vested whether or not the market conditions or other non-vesting conditions to which they are subject are met, it being understood that all other performance and/or service conditions must be met.

If the terms of the plan are changed, the minimum cost to be recognised is the fair value at the award date in the absence of the plan amendment, assuming the original terms of the plan are met. In addition, a cost is recognised for any change that increases the total fair value of the payment plan, or is otherwise favourable to employees; this cost is measured at the date of the change. When a plan is derecognised by the entity or the counterparty, any remaining element of the plan's fair value is expensed immediately in profit or loss.

Information on fair value

Paragraph 9 of IFRS 13 defines fair value as “the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in an arm's length transaction at the measurement date”.

Measurement at fair value assumes that the sale of an asset or transfer of a liability takes place in a principal market, which can be defined as the market with the highest trading volumes and levels for the asset/liability being measured. In the absence of a principal market, the most advantageous market should be taken as the reference, i.e. the market that maximises the amount that would be received in the sale of an asset or minimises the amount that would be paid in the transfer of a liability, after taking into account transaction costs.

With the aim of maximising the consistency and comparability of fair value measurements and related disclosures, IFRS 13 establishes a fair value hierarchy that divides the parameters used to measure fair value into three levels:

- Level 1: the fair value of the instrument is determined on the basis of listed prices observed on active markets;
- Level 2: the fair value of the instrument is determined on the basis of valuation models that use observable inputs onto active markets, such as:
 - prices listed on active markets for similar instruments;
 - observable parameters such as interest rates or yield curves, implied volatility, early payment risk, default rates and illiquidity factors;
 - parameters that are not observable but supported and confirmed by market data;
- Level 3: the fair value of the instrument is determined on the basis of valuation models that mainly use inputs that cannot be inferred from the market, which therefore involve the adoption of estimates and internal assumptions.

This classification aims to establish a hierarchy in terms of objectivity of the fair value according to the degree of discretion adopted, giving priority to the use of parameters observable on the market. The fair value hierarchy is also defined on the basis of the input data used in the fair value calculation models and not on the basis of the valuation models themselves.

Fair value levels 2 and 3: valuation techniques and inputs used

The information required by IFRS 13 with regard to accounting portfolios measured at fair value on a recurring basis is shown below. For financial assets not measured at fair value, the Company believes that the carrying amount is a reasonable approximation of the fair value.

At the date of preparation of the Financial Statements as at December 31, 2023, there are no assets or liabilities measured at fair value on a non-recurring basis.

Assets and liabilities measured at fair value on recurring basis

ASSET BACKED SECURITIES

ABSs are measured using the discounted cash flow model, which is based on an estimate of the cash flows paid by the security and an estimate of a spread for discounting.

EQUITY INVESTMENTS

Equities are assigned to Level 1 when an active market price considered liquid is available and to Level 3 when there are no prices or the prices have been suspended permanently. Such instruments are classified as Level 2 only if the volume of activity on the listing market is significantly reduced. For equities measured at cost, an impairment loss is recognised if the cost exceeds the recoverable amount significantly and/or for a long time.

INVESTMENT FUNDS

Funds are classified as Level 1 if they are listed on an active market; if this does not occur, they are classified as Level 3 and are assessed through a credit adjustment of the NAV based on the specific characteristics of the individual fund.

OTHER DERIVATIVE INSTRUMENTS

The fair value of derivatives not traded on an active market derives from the application of mark-to-model valuation techniques. When there is an active market for the input parameters to the valuation model of the different components of the derivative, the fair value is determined on the basis of their market prices. Valuation techniques based on observable inputs are classified as Level 2 while those based on significant unobservable inputs are classified as Level 3.

Description of assessment techniques

In order to assess positions for which market sources do not provide a directly observable market price, specific valuation techniques that are common in the market and described below are used.

DISCOUNTED CASH FLOW

The valuation techniques based on the discounted cash flow generally consist in determining an estimate of the future cash flows expected over the life of the instrument. The model requires the estimate of cash flows and the adoption of market parameters for the discount: the discount rate or margin reflects the credit and/or funding spread required by the market for instruments with similar risk and liquidity profiles, in order to define a "discounted value". The fair value of the contract is the sum of the discounted future cash flows.

MARKET APPROACH

A valuation technique that uses prices generated by market transactions involving assets, liabilities or groups of identical or comparable assets and liabilities.

NAV

The NAV (Net Asset Value) is the difference between the total value of the fund's assets and liabilities. An increase in NAV coincides with an increase in fair value. Usually, for funds classified at Level 3, the NAV is a risk-free valuation; therefore, in this case, the NAV is adjusted to consider the issuer's default risk.

Hierarchy of fair value

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

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

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

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

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

Fair value hierarchy: asset and liabilities measured at fair value on a recurring basis - breakdown by fair value level

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

Level 3 of the category "Financial assets measured at fair value through profit or loss" mainly includes:

1. the value of the notes issued by the securitisation vehicle companies:
 - Romeo SPV and Mercuzio Securitisation, equal to 5% of the total securities;
 - Cairo, whose mezzanine notes were purchased on June 5, 2020 to coincide with the acquisition of the subsidiary doValue Greece;
 - Mexico, purchased in December 2021, remaining 5% of the total of subordinated securities issued by the vehicle;
2. Units in collective investment undertakings (CIUs): the equivalent of the amount paid for the subscription of the remaining 23 units of the Italian Recovery Fund (formerly Atlante II), reserved real estate investment fund, net of redemptions;

3. the fair value of the call option on equity instruments of the investee BidX1, subscribed at the same time as the purchase of the minority interest, which amounted to 17.7% of the company's share capital as at December 31, 2023.

Level 3 of the category "Financial assets recognised at fair value through comprehensive income" includes the value of the equity instruments relating to the minority interest in the above mentioned company BidX1 and in the Brazilian fintech company QueroQuitar S.A. for 11.46%, for which the Group applies the option for the designation at fair value through comprehensive income.

The fair value of these financial assets was determined on the basis of the contracts for the acquisition of equity interests and the economic-financial parameters that can be drawn from the long-term plans of the acquired companies. Since these parameters are not observable on the market (either directly or indirectly), these liabilities are classified under Level 3.

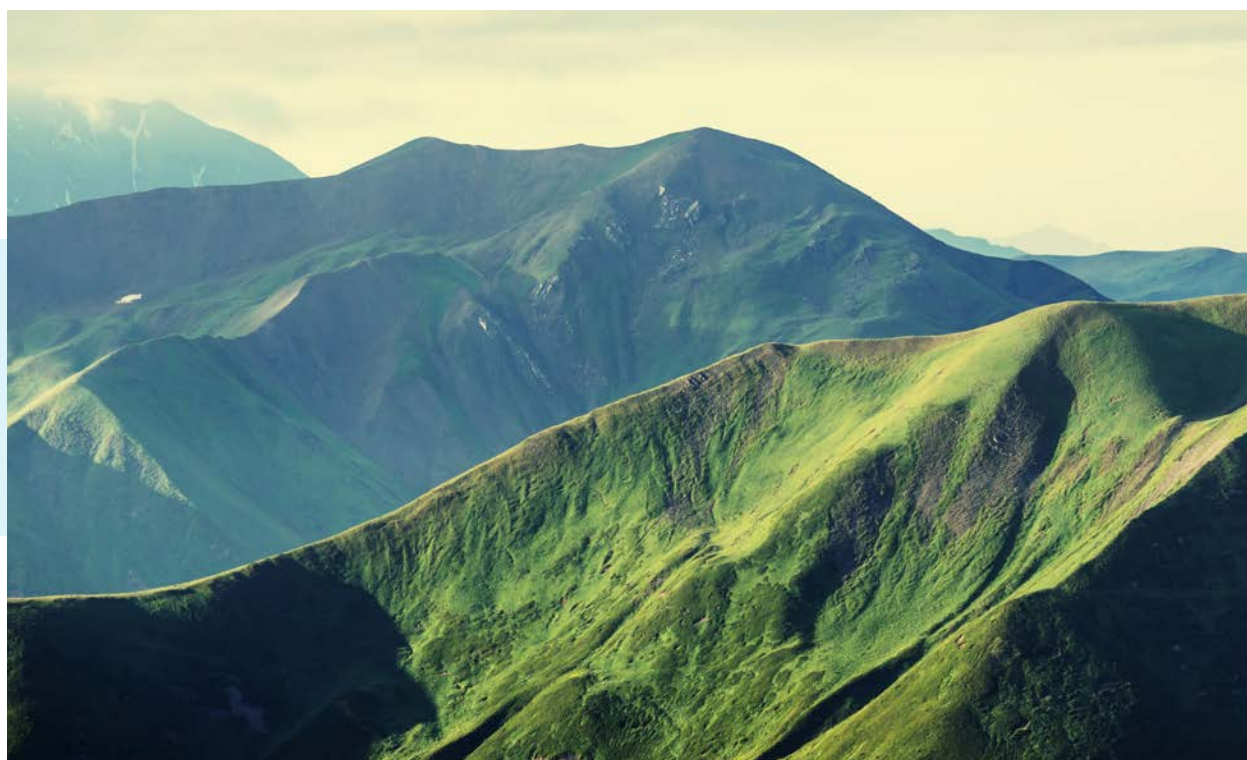
Level 3 of the category relating to "Other financial liabilities" includes:

1. the Earn-out represented by the fair value of the liability relating to a portion of the acquisition price of Altamira now doValue Spain;
2. the Earn-out represented by the fair value of the liability relating to a portion of the acquisition price of Eurobank FPS (now doValue Greece), which is linked to the achievement of certain EBITDA targets over a 10-year period;

The fair value of these financial liabilities was determined on the basis of the contracts for the acquisition of equity interests and the economic-financial parameters that can be drawn from the long-term plans of the acquired companies. Since these parameters are not observable on the market (either directly or indirectly), these liabilities are classified under Level 3.

(€/000)

	12/31/2023			12/31/2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss	-	-	37,037	-	-	42,126
Units in collective investment undertakings	-	-	20,499	-	-	23,628
Debt securities	-	-	16,484	-	-	18,145
No-Hedging derivatives	-	-	54	-	-	353
Financial assets measured at fair value through comprehensive income	-	-	8,165	-	-	10,171
Government securities	-	-	8,165	-	-	10,171
Total	-	-	45,202	-	-	52,297
Other financial liabilities	-	-	54,668	-	-	44,648
Earn-out	-	-	54,668	-	-	44,648
Total	-	-	54,668	-	-	44,648





INFORMATION ON THE BALANCE SHEET

Assets

NOTE 1 - INTANGIBLE ASSETS

(€/000)	Software	Brands	Assets under development and payments on account	Goodwill	Other intangible assets	Total 12/31/2023	Total 12/31/2022
Gross opening balances	40,204	72	4,273	-	-	44,549	34,140
Initial reduction in value	(26,626)	(16)	-	-	-	(26,642)	(20,768)
Net opening balances	13,578	56	4,273	-	-	17,907	13,372
Changes in gross balance	9,075	-	(2,037)	-	-	7,038	10,409
Purchases	5,380	-	1,778	-	-	7,158	10,409
Others changes	3,695	-	(3,815)	-	-	(120)	-
Changes in reduction in value	(7,502)	(4)	-	-	-	(7,506)	(5,874)
Amortisation	(7,539)	(4)	-	-	-	(7,543)	(5,874)
Other changes	37	-	-	-	-	37	-
Gross closing balances	49,279	72	2,236	-	-	51,587	44,549
Final reduction in value	(34,128)	(20)	-	-	-	(34,148)	(26,642)
Net closing balances	15,151	52	2,236	-	-	17,439	17,907

The **changes in gross balance** include "purchases", which during the year were concentrated on the development of the IT platform, with an increase in the "software" and "assets under development and payments on account" categories for a total of €7.1 million, mainly attributable to business and management applications for non-performing positions as well as the implementation of management and accounting applications.

The "other changes", which affect the "software" and "assets under development and payments on account" categories, relate to the reclassification of assets between the two categories in connection with the entry into use of software.

The **changes in reduction in value** mainly consist of the amortisation charges for the year of €7.5 million.

NOTE 2 – PROPERTY, PLANT AND EQUIPMENT

(€/000)	Buildings	Furniture	Electronic systems	Assets under development and payments on account	Other	Total 12/31/2023	Total 12/31/2022
Gross opening balance	26,115	2,021	10,756	-	553	39,445	32,483
Initial reduction in value	(11,917)	(1,867)	(3,324)	-	(4,423)	(21,531)	(24,989)
Net opening balance	14,198	154	7,432	-	(3,870)	17,914	7,494
Changes in gross balance	1,543	(57)	(11)	-	285	1,760	6,962
Purchases	798	-	102	-	307	1,207	17,188
o.w. <i>Right of Use</i>	797	-	-	-	284	1,081	17,071
Other changes	745	(57)	(113)	-	(22)	553	(10,226)
Changes in reduction in value	(3,052)	(47)	(2,652)	-	(348)	(6,099)	3,458
Amortisation	(3,084)	(103)	(2,765)	-	(347)	(6,299)	(6,415)
o.w. <i>Right of Use</i>	(2,904)	-	(2,673)	-	(163)	(5,740)	(5,608)
Other changes	32	56	113	-	(1)	200	9,873
Gross closing balance	27,658	1,964	10,745	-	838	41,205	39,445
Final reduction in value	(14,969)	(1,914)	(5,976)	-	(4,771)	(27,630)	(21,531)
Net closing balance	12,689	50	4,769	-	(3,933)	13,575	17,914

During 2023, the item recorded an overall increase of €4.3 million, from €17.9 million to €13.6 million.

The **changes in gross balances**, totalling €1.8 million, are made up of new purchases for €1.2 million (€1.1 million of which in rights of use) mainly relating to buildings.

The **changes in reduction in value** included depreciation of €6.3 million, of which €5.7 million related to rights of use.

Please see Note 20 for more details on changes in rights of use.

NOTE 3 – EQUITY INVESTMENTS

Company name	Headquarters and Registered Office	Country	Type of Relationship (1)	Owner relationship		
				Held by	Holding %	Voting rights % (2)
1. doValue S.p.A.	Verona	Italy		Holding		
2. doNext S.p.A.	Rome	Italy	1	doValue S.p.A.	100%	100%
3. doData S.r.l.	Rome	Italy	1	doValue S.p.A.	100%	100%
4. doValue Spain Servicing S.A.	Madrid	Spain	1	doValue S.p.A.	100%	100%
5. doValue Portugal, Unipessoal Limitada	Lisbon	Portugal	1	doValue Spain Servicing S.A.	100%	100%
6. doValue Cyprus Limited (formerly Altamira Asset Management Cyprus Limited)	Nicosia	Cyprus	1	doValue Spain Servicing S.A.	100%	100%
7. doValue Special Projects Cyprus Limited (formerly doValue Cyprus Limited)	Nicosia	Cyprus	1	doValue S.p.A. + doValue Spain Servicing S.A.	94%+6%	94%+6%
8. doValue Greece Loans and Credits Claim Management Société Anonyme	Moschato	Greece	1	doValue S.p.A.	80%	80%
9. doValue Greece Real Estate Services single member Société Anonyme	Moschato	Greece	1	doValue S.p.A.	100%	100%
10. Zarco STC, S.A.	Lisbon	Portugal	1	doValue Portugal, Unipessoal Limitada	100%	100%
11. Adsolum Real Estate S.L.	Madrid	Spain	1	doValue Spain Servicing S.A.	100%	100%
12. TEAM 4 Collection and Consulting S.L.U.	Madrid	Spain	1	doValue Spain Servicing S.A.	100%	100%

Notes to the table

- (1) Type of relationship:
 1 = majority of voting rights at ordinary shareholders' meeting
 2 = dominant influence at ordinary shareholders' meeting
 3 = agreements with other shareholders
 4 = other types of control
 5 = centralized management pursuant to Article 39, paragraph 1, of Legislative Decree 136/2015
 6 = centralized management pursuant to Article 39, paragraph 2, of Legislative Decree 136/2015
- (2) Voting rights available in general meeting. The reported voting rights are considered effective

Change

Description	Opening balances	Business combination	Purchases Constitutions	Other changes (Gross balances) (+/-)	Disposals	Decreases in Equity instruments	Total
doNext S.p.A. (formerly Italfondario S.p.A.)	3,671	-	-	-	-	-	3,671
doData S.r.l.	539	-	-	-	-	-	539
doValue Cyprus Limited	1	-	-	-	-	-	1
doValue Greece Loans and Credits Claim Management Société Anonyme	159,221	-	-	5,111	-	-	164,332
doValue Spain Servicing S.A. (formerly Altamira Asset Management S.A.)	208,971	-	21,520	(122)	-	-	230,369
doValue Greece Real Estate Services single member Société Anonyme	2,026	-	-	1	-	-	2,027
Closing balances	374,429	-	21,520	4,990	-	-	400,939

The item exclusively includes investments in subsidiaries.

In the period there was an increase of €26.5 million essentially due to changes related to the following phenomena:

- increase in the equity investment in doValue Spain Servicing for €21.5 million for the purchase of the residual 15% minority interest following the finalisation of the put option exercise on October 24, 2023;
- an increase of €5.1 million in the value of the equity investment in doValue Greece Loans and Credits Claim Management due to the combined effect of an increase in the fair value of the Earn-out liability of €5.4 million and the decrease due to the absence of previously capitalised costs of €0.3 million;
- a decrease of €0.1 million in the value of the equity investments in doValue Spain Servicing due to the release of significant provisions made in previous years with respect to the accrued remuneration in the form of allocation of doValue shares, allocated to certain categories of managers of this investee company, as required by the remuneration policy.

NOTE 4 - FINANCIAL ASSETS

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

(€/000)

	12/31/2023	12/31/2022
Non-current financial assets	56,931	123,783
Financial assets measured at fair value through profit or loss	37,037	42,126
Units in collective investment undertakings	20,499	23,628
Debt securities	16,484	18,145
Non-hedging derivatives	54	353
Financial assets measured at amortised cost	11,729	71,486
Loans to customers	11,729	71,486
Financial assets measured at fair value through other comprehensive income	8,165	10,171
Equity securities	8,165	10,171
Current financial assets	141,789	74,692
Financial assets measured at amortised cost	141,789	74,692
Loans to customers	59,728	40,757
Loan assets on intercompany current account	82,061	33,935
Total	198,720	198,475

Non-current financial assets measured at fair value through profit or loss include CIU units, debt securities, equity investments and non-hedging derivatives.

CIU units relate to 23.3 units of the restricted closed-end alternative securities investment fund denominated Italian Recovery Fund (formerly Atlante II). Partial repayments of €2.2 million were recorded during the year, while additional shares to be subscribed of €1.1 million were recognised under commitments. The fair value of the CIU units, determined through a credit adjustment of the NAV based on the specific characteristics communicated by the Fund, showed a negative difference of €0.9 million compared to the previous year.

Debt securities decreased by €1.7 million, of which €1.6 million was due to the application of the Discounted Cash Flow method, as described in the section on Accounting Policies - Information on fair value. The residual balance of debt securities is represented, for €12.3 million by the ABS securities of the Cairo securitisations acquired as part of the acquisition of Eurobank-FPS (now doValue Greece), for €2.1 million by the value of the ABS securities relating to the Romeo SPV and Mercuzio Securitisation securitisations and, for €2.1 million by the co-investment in the Mexico securitisation notes.

Non-hedging derivatives include an option linked to the purchase of further equity interests in the company BidX1 mentioned below among the financial assets recognised at fair value through other comprehensive income.

Under **non-current financial assets at amortised cost**, the decrease of €59.8 million in Loans to customers refers to the combined effect of the classification in the current component of the portion of intercompany loans granted to the subsidiaries doValue Greece (for €22.7 million) and doValue Spain (for €37.1 million).

The category of **non-current financial assets measured at fair value through other comprehensive income** includes the value of equities relating to two companies for which doValue exercised the option available under IFRS 9 to measure these instruments at fair value through other comprehensive income without "recycling" to profit or loss:

- - €1.5 million equal to 11.46% of the Brazilian fintech company QueroQuitar S.A. which operates in the field of digital collections;
- - €6.7 million equal to 17.7% of BidX1, an Irish proptech company specialising in the promotion and execution of real estate transactions through online auction processes in real time. The relative fair value measurement updated as at December 31, 2023, resulted in a decrease of €2.0 million on the BidX1 equity.

As regards **current financial assets**, there was an increase of €67.1 million due to the combined effect of the following changes:

- the increase of €19.0 million in the item Loans to customers, which includes the current portion of intercompany loans granted to the subsidiaries doValue Spain and doValue Greece. The change is attributable to the combined effect of the repayments of the two loans during the year (for €41.2 million), the reclassification to current items (for €59.8 million) and the increase in amortised cost (for €0.4 million);
- the increase of €48.1 million in receivables relating to the intercompany current account from the subsidiaries doValue Greece and doValue Portugal.

Focus on securitisations

Over the years, doValue originated securitisations or invested in them through the subscription of the related debt securities, also assuming the role of Servicer. A brief description of these transactions is provided below.

On September 30, 2016, the assignment of the non-performing portfolio of the doValue to the securitisation vehicle Romeo SPV S.r.l. was finalised. Romeo was established pursuant to Italian Law 130/1999. Subsequently, in the second quarter of 2017, the unsecured part of the portfolio was transferred to the vehicle Mercuzio Securitisation S.r.l. ("Mercuzio") and, at the same time, the issue of ABSs was completed by both SPVs with a single tranching of the securities.

doValue, as originator, subscribed a nominal portion of notes equal to 5% of the total securities issued, to comply with the provisions of the retention rule under Regulation (EU) No. 575/2013 (the CRR).

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

At the same time as the acquisition of Eurobank FPS in June 2020 mezzanine notes of the 3 Cairo securitisations (Cairo I, Cairo II and Cairo III) were subscribed, the securities of which are backed by state guarantees ("Asset Protection Scheme"). The originator of this transaction is Eurobank, which sold €7.4 billion of performing and non-performing loans.

In December 2020, mezzanine and junior ABS securities were also subscribed for the Relais securitisation, which concerns lease receivables sold by UniCredit. However, these notes were sold in February 2021, while the Group maintained the roles of Master Servicer (performed by doNext) and Special Servicer (performed by doValue).

In the second half of 2021, in relation to the Mexico transaction, the doValue subscribed an amount equal to €45.0 million of junior and mezzanine notes, equal to 95% of the notes issued by the vehicle and at the same time sold 90% of the total notes issued to a third investor; the remaining portion of notes recognised in the financial statements therefore corresponds to 5% class B (mezzanine) and 5% class C (junior). The Group is servicer of the portfolio through the subsidiary doValue Greece.

NOTE 5 – DEFERRED TAX ASSETS AND LIABILITIES

The items report deferred tax assets by deductible temporary difference.

Deferred tax assets (hereinafter also referred to as “DTA”) include amounts in respect of loan write-downs, tax losses carried forward and deferred tax assets determined specifically on the basis of the stocks of the components to which they refer (e.g. litigation, provisions for employees).

In this regard, doValue exercised the option to retain the possibility of converting deferred tax assets into tax credits pursuant to Art. 11 of Legislative Decree No 59 of May 3, 2016, ratified with Law 119 of June 30, 2016. This measure introduced the optional regime in order to eliminate issues that emerged at the Community level regarding the incompatibility of the DTA transformation legislation with the rules governing state aid, ensuring that the convertibility of qualifying DTAs into tax credits is only allowed following payment of a specific fee based on the amount of those DTAs.

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

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

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

Article 42 of Italian Law Decree no. 17/2022 intervenes for the third time on the original deduction plan with a postponement technique substantially similar to that carried out by Italian Law no. 160/2019.

The 2024 Budget Law (Law 213/2023) amended the original deduction plan for the fourth time. The previous deductible portion for 2024 decreased from 18% to 17%, deferring 1% on a straight-line basis in the current tax periods as at December 31, 2027 and December 31, 2028; in addition, for the current tax period as at December 31, 2026, the deductible portion is reduced from 7.7% to 4.7%, deferring 3% on a straight-line basis in the current tax periods as at December 31, 2027 and December 31, 2028.

Following the amendment, the recovery plan is now as follows: 5% in the current tax period as at December 31, 2016; 8% in the current tax period as at December 31, 2017; 12% in the current tax

period as at December 31, 2020; 12% in the current tax period as at December 31, 2021; 8.3% in the current tax period as at December 31, 2022; 18% for the current tax period as at December 31, 2023; 17% (-1%) for the current tax period as at December 31, 2024; 11% for the current tax period as at December 31, 2025; 4.7% (-3%) for the current tax period as at December 31, 2026; 2% (+2%) for the current tax period as at December 31, 2027; 2% (+2%) for the current tax period as at December 31, 2028.

As a result of these law provisions, the amount of the deferred tax assets recognised in the financial statements "changes" starting from the current tax period through cancellations with economic impact.

As a result of the payment of the fee for the conversion of the DTAs into a tax credit, the amount of the write-downs pertaining to 2023 that will contribute to the tax loss will be transformed into a tax credit starting from the date of despatch of tax return (IRES and IRAP) by September 30, 2024. A portion of the DTA stock of write-downs and losses on receivables recognised as at December 31, 2023 due to statutory loss will be transformed into a tax credit after the approval of the 2023 Financial Statements.

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

The test carried out on the data as at December 31, 2023, therefore, took into account the 2024-2026 Business Plan, approved by the Board of Directors on March 20, 2024, and in general the estimates based on the most recent internal and external metrics.

As at December 31, 2023, a further total of DTAs of €11.0 million was recognised, mainly relating to tax losses carried forward in the future, deriving from the reversal of write-downs of receivables pursuant to Law 214/2011. This increase was more than offset by lower deferred tax assets relating to the cancellations of prepaid taxes for the period for €17.1 million mainly attributable to:

- "write- write-downs for uncollectible amounts" for a total of €5.2 million following the execution of the sustainability test on the basis of the 2024-2026 Preliminary Plan; and
- changes in DTAs pursuant to Law 214/2011 described above for €10.7 million.

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

- deferred tax assets correspond to the amounts of income tax that can be recovered in future years regarding temporary differences;
- the prerequisite for the recognition of deferred tax assets is that it is considered reasonably certain in view of corporate developments that taxable income will be generated against which the deductible temporary differences will be used.

Moreover, there are €13.8 million of unrecognised DTAs, of which €2.4 million for tax losses, €5.2 million for DTAs written down following the sustainability test indicated above and lastly €6.2 million of unrecognised DTAs mainly against the portion of interest expenses that are subject to the deductibility limitation by 30% of taxable Gross Operating Income and for which the recognition of these expenses will be assessed in subsequent years.

Taxes were calculated by applying the tax rates established under current law in each country, using, only for doNext the additional IRES 3.5 percentage-point tax envisaged for Italian credit and financial institutions (Italian Law no. 208 of December 28, 2015).

With regard to the calculation of the Italian IRAP (regional business tax) rate as at December 31, 2023, doValue meets the requirements for classification as a non-financial holding company. In accordance with that classification, doValue determines its tax base on the same basis as ordinary companies, and takes account of the difference between the interest income and similar income and the interest expense and similar charges to the extent provided for under tax law, also applying the increased rate (of 5.57% unless otherwise provided by the individual regions) levied on credit and financial institutions.

Deferred tax assets

Breakdown

(€/000)

	12/31/2023	12/31/2022
Tax recyclable to profit or loss	53,401	59,659
Write-downs of loans	40,202	49,330
Tax losses carried forward	13,199	4,611
Provisions for risks and charges	-	3,500
Property, plant and equipment / intangible assets	-	326
Administrative expenses	-	6
Other assets / liabilities	-	1,886
Tax not recyclable to profit or loss	329	316
Defined benefit plans	329	316
Total	53,730	59,975

Change

(€/000)

	Income Statement	Recognised in equity	Total 12/31/2023	Total 12/31/2022
Opening balance	59,659	316	59,975	62,177
Increases	11,019	13	11,032	2,432
Deferred tax assets recognised during the year	11,019	13	11,032	2,432
- In respect of previous years	366	-	366	1,005
- Other	10,653	13	10,666	1,427
Decreases	(17,277)	-	(17,277)	(4,634)
Deferred tax assets derecognised during the year	(17,148)	-	(17,148)	(4,502)
- Reversals of temporary differences	(11,944)	-	(11,944)	(4,502)
- Write-downs of non-recoverable items	(5,204)	-	(5,204)	-
Other changes	(129)	-	(129)	(132)
Total	53,401	329	53,730	59,975

Deferred tax liabilities

Breakdown

(€/000)

	12/31/2023	12/31/2022
Provisions recognised through Equity	20	20
Total	20	20

Change

(€/000)	Income Statement	Recognised in equity	Total 12/31/2023	Total 12/31/2022
Opening balance	-	20	20	20
Increases	=	=	=	=
Deferred tax liabilities recognised during the year	-	-	-	-
- In respect of previous years	-	-	-	-
- Due to changes in accounting policies	-	-	-	-
- Other	-	-	-	-
New taxes or increases in tax rates	-	-	-	-
Other changes	-	-	-	-
Business combination	-	-	-	-
Decreases	=	=	=	=
Deferred tax liabilities derecognised during the year	-	-	-	-
- Reversals of temporary differences	-	-	-	-
- Due to changes in accounting policies	-	-	-	-
- Other	-	-	-	-
Reduction in tax rates	-	-	-	-
Other changes	-	-	-	-
Total	-	20	20	20

NOTE 6 – OTHER ASSETS

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

(€/000)	12/31/2023	12/31/2022
Other non-current assets	294	303
Other current assets	6,145	6,258
Accrued income / prepaid expenses	1,352	1,491
Items for employees	829	750
Receivables for advances	1,923	2,069
Tax receivables	1,828	1,661
Other items	213	287
Total	6,439	6,561

The item overall shows a decrease of €0.1 million compared to December 31, 2022, mainly due to the combined effect of an increase in tax receivables (for €0.1 million) and items relating to employees (for €0.1 million) and a reduction in deferred tax assets (€0.1 million), in prepaid expenses on general expenses (for €0.1 million) and in other items (€0.1 million).

Other non-current assets mainly consist of security deposits.

NOTE 7 – INVENTORIES

As at December 31, 2023 the item was substantially zeroed compared to the balance as at December 31, 2022, which amounted to €55 thousand following the sale of the two properties included in the previous year.

NOTE 8 – TRADE RECEIVABLES

(€/000)	12/31/2023	12/31/2022
Receivables	80,709	84,793
Receivables accruing (Invoices to be issued)	62,417	68,168
Receivables for invoices issued but not collected	18,292	16,625
Provisions	(518)	(727)
Provisions for expected losses on receivables	(518)	(727)
TOTAL	80,191	84,066

Trade receivables arise in respect of invoices issued and accruing revenues mainly connected with servicing activities and real estate services under mandate and therefore mainly relating to the revenue item "revenues from contracts with customers".

The item shows a net decrease of €4.1 million compared to the balance as at December 31, 2022, mainly attributable to the combined effect of lower allocations made for invoices to be issued at the end of the period and the increase in receivables for invoices issued and not yet collected.

As a percentage of total revenues, the incidence of receivables stood at 56%, up from 48% in the previous year.

Provisions for expected future credit losses amounted to around 1% of receivables.

NOTE 9 - TAX ASSETS AND TAX LIABILITIES

As at December 31, 2023, tax assets amounted to €4.2 million, down by €0.2 million compared to December 31, 2022 due to the decrease in current tax receivables.

As at December 31, 2023, tax liabilities were zero. The decrease in the item compared to December 31, 2022 (€2.2 million).

NOTE 10 - CASH AND CASH EQUIVALENTS

The balance of €57.3 million, representing a decrease of €57.0 million compared with the €114.4 million reported as at December 31, 2022, represents the liquidity available at the end of the financial year. For information on subsequent developments, reference should be made to the paragraph on Net Financial Position in the Directors' Report.

For an analysis of changes in cash and cash equivalents, please see the cash flow statement.

NOTE 11 – ASSETS HELD FOR SALE AND RELATED LIABILITIES

The table shows the values relating to the total equity investment in the shares of a Special Purpose Vehicles (SPV) which the Company intends to liquidate or sell to third parties.

(€/000)

12/31/2023 12/31/2022

<u>Non-current assets:</u>		
Intangible assets	-	-
Property, plant and equipment	-	-
Investments in associates and joint ventures	-	-
Non-current financial assets	10	30
Deferred tax assets	-	-
Other non-current assets	-	-
Total non-current assets	10	30
<u>Current assets:</u>		
Inventories	-	-
Current financial assets	-	-
Trade receivables	-	-
Tax assets	-	-
Other current assets	-	-
Cash and cash equivalents	-	-
Total current assets	-	-
Total assets held for sale	10	30
<u>Non-current liabilities:</u>		
Loans and other financing	-	-
Other non-current financial liabilities	-	-
Employee benefits	-	-
Provisions for risks and charges	-	-
Deferred tax liabilities	-	-
Total non-current liabilities	-	-
<u>Current liabilities:</u>		
Loans and other financing	-	-
Other current financial liabilities	-	-
Trade payables	-	-
Tax payables	-	-
Other current liabilities	-	-
Total current liabilities	-	-
Total liabilities associated with assets held for sale	-	-

Liabilities and Equity

NOTE 12 – NET EQUITY

As at December 31, 2023, the subscribed and paid-up **share capital** of the Company amounted to €41.3 million divided into 80,000,000 ordinary shares with no par value.

The following table shows the shares outstanding at the reporting date.

(€/000)

(no. of shares)	12/31/2023	12/31/2022
Ordinary shares issued	80,000,000	80,000,000
Treasury shares	(1,494,630)	(900,434)
Total shares outstanding	78,505,370	79,099,566

Treasury shares, shown as a direct reduction of Shareholders' Equity, amounted to €6.1 million, compared to €4.3 million in the previous year, with an increase of €1.8 million.

The following table provides information on the changes in the number of treasury shares held, showing an increase due to acquisitions on the market for 667,400 shares (for a value of €2.1 million) reduced by the exercise of 73,204 performance stock grants rights (for a value of €352 thousand), allocated by doValue to the beneficiaries of the incentive system, in accordance with the Remuneration Policy.

As at December 31, 2023, the number of treasury shares is 1.87% of the number of issued ordinary shares.

(no. of treasury shares)	12/31/2023	12/31/2022
Opening balance	900,434	972,339
Purchases	667,400	-
Transfers due to exercise of performance stock grants	(73,204)	(71,905)
Closing balance	1,494,630	900,434

The **valuation reserve** as at December 31, 2023, amounted to a negative value of -€3.1 million, (-€1.1 million as at December 31, 2022) and includes the combined effect of the valuation of the severance indemnity pursuant to IAS 19 and that arising from the valuation of the Bidx1 equity.

Other reserves break down as follows:

(€/000)

	12/31/2023	12/31/2022
Reserves from allocation of profits or tax-suspended reserves	25,514	25,211
Legal reserve	8,256	8,256
Reserve art. 7 Law 218/90	2,304	2,304
Tax-suspended reserve from business combinations	2	2
Reserve from FTA IAS art. 7 par. 7 Lgs. Decree 38/2005	8,780	8,780
Reserve from FTA IAS IFRS 9	1,128	1,128
Reserve from retained earnings IAS art. 6 par. 2 Lgs. Decree 38/2005	(9,145)	(9,145)
Reserve from retained earnings - Share Based Payments	14,189	13,886
Other reserves	74,595	109,658
Extraordinary reserve	60,388	88,417
Reserve, Lgs. Decree no. 153/99	6,103	6,103
Legal reserve for distributed earnings	44	44
Reserve art. 7 Law 218/90	4,179	4,179
Reserve from business combinations	1,746	1,746
Share Based Payments Reserve	2,135	9,169
Total	100,109	134,869

Overall, the item shows a decrease of €34.8 million due to the combination of the following main elements:

- €47.5 million decrease related to the dividends that the Shareholders' Meeting of April 27, 2023, resolved to distribute using the full profit for 2022 of €19.5 million and €28.0 million from the **extraordinary reserve**;
- €6.7 million net decrease of the **Share Based Payments** reserves accounted for pursuant to IFRS 2 in implementation of the post-IPO remuneration policy, which provides for the payment in the form of shares as remuneration to certain categories of managers and following the resignation of the former CEO (see Note 19 - Share-based payments for further details).

	Amount	Possibility of use (*)	Available portion	Summary of utilisation in last three financial years	
				To cover losses	For other reasons
Reserves from allocation of profits or tax-suspended reserves	41,280,000				
Reserves from allocation of profits or tax-suspended reserves	100,108,831		91,118,437	(534,919)	(67,653,254)
Legal reserve	8,256,000	B	8,256,000	-	-
Legal reserve for distributed earnings	43,862	A, B, C	43,862	-	-
Reserve art. 7 Law 218/90	6,483,557	A, B, C (1)	6,483,557	-	-
Tax-suspended reserve from business combinations	1,748,727	A, B, C	1,748,727	-	-
Reserve from FTA IAS art. 7 par. 7 Lgs. Decree 38/2005	8,780,082		-	-	-
Reserve from FTA IAS IFRS 9	1,126,135		-	-	-
Reserve from retained earnings IAS art. 6 par. 2 Lgs. Decree 38/2005	(9,145,318)		-	-	-
Reserve from retained earnings	1	A, B, C	1	(534,919)	(24,996,002) (2)
Reserve established in by laws for purchase of treasury shares	-		-	-	(74,810) (3)
Reserve from retained earnings - Share Based Payments	14,190,346	A, B, C	14,190,346	-	-
Extraordinary reserve	60,387,965	A, B, C	54,292,713	-	(42,582,442) (2)
Reserve, Lgs. Decree no. 153/99	6,103,231	A, B, C	6,103,231	-	-
Share Based Payments Reserve	2,134,243		-	-	-
Valuation reserves	(3,144,270)		429,146	-	-
Monetary revaluation reserves Law 413/91	429,146	A, B, C (1)	429,146	-	-
Reserve for actuarial gains (losses) on defined benefits schemes	(225,728)		-	-	-
Reserve for revaluation financial assets	(3,347,688)		-	-	-
Total	138,244,561		91,547,583	(534,919)	(67,653,254)
Portion non-distributable	-		8,256,000	-	-
Residual distributable portion	-		83,291,583	-	(42,582,442)

(*): A: for capital increase; B: to cover losses; C: for distribution to shareholders

(1) In the case these reserves are used to cover losses for the financial year, profits cannot be distributed until the reserves have been added to or reduced in a corresponding measure. The reduction must be resolved by the Extraordinary Shareholders' Meeting without observance of paragraphs 2 and 3 in Article 2445 of the Civil Code. If the reserve is not recognised to equity, it can only be reduced with observation of provisions 2 and 3 under article 2445 of the Civil Code.

(2) Reserve used for distribution to shareholders.

(3) Reserve used for assignment of treasury shares connected Share Based Payment

NOTE 13 – LOANS AND OTHER FINANCING

(€/000)	Interest Rate %	Due Date	12/31/2023	12/31/2022
Non-current loans and other financing			552,860	554,219
Bonds	5%	08/04/2025	259,600	258,055
Bonds	3,375%	07/31/2026	293,260	296,164
Current loans and other financing			14,707	11,458
Bank loans		on demand	105	125
Liabilities on intercompany current account		on demand	4,939	1,593
Bonds	5%	02/01/2024	5,500	5,521
Bonds	3,375%	01/31/2024	4,163	4,219
Total			567,567	565,677

The balance of loans and other financing as at December 31, 2023, includes the residual debt values at amortised cost of the **bond loans** (current and non-current portions) broken down as follows:

- €265.1 million for the cash collateralised senior loan issued on August 4, 2020 with due date in 2025, at an annual fixed rate of 5.0%, for a principal amount of €264.0 million (€265.0 million at issue), which was reduced by €1.0 million during the period due to a partial bond buy-back by the Company of its debt securities. The liquidity deriving from the loan in question was used to repay the bridge loan in the context of the acquisition of doValue Greece;
- €297.4 million for the cash collateralised senior loan issued on July 22, 2021 with due date in 2026, at an annual fixed rate of 3.375%, for a principal amount of €296.0 million (€300.0 million at issue), which was reduced by €4.0 million during the period due to two buy-back transactions by the Company of its debt securities. This bond loan was used to repay the Facility Loan concluded to finance the purchase of the interest in doValue Spain and to refinance the pre-existing debt of the same investee.

The bonds were reserved for qualified investors and are listed on the Euro MTF multilateral trading system of the Luxembourg Stock Exchange.

The above-mentioned bond buy-back transactions for a total of €5.0 million were concluded by repurchasing part of its own debt on the market below par so as to reduce the total amount of liabilities to a greater extent than the financial disbursement required. This led to the recognition of income of €0.5 million.

Pursuant to IFRS 9, the debt is measured on the basis of the amortised cost criteria and therefore takes account of the costs connected with obtaining the loan as well as the accruing interest.

The item **current loans and other financing**, in addition to the current portion of the bonds indicated above, includes €4,9 million of payables relating to the intercompany current account to the subsidiaries doNext, doData and doValue Cyprus.

NOTE 14 – OTHER FINANCIAL LIABILITIES

(€/000)

12/31/2023 12/31/2022

Other non-current financial liabilities	30,517	27,641
Lease liabilities	10,011	11,593
Earn-out	20,506	16,048
Other current financial liabilities	37,213	33,450
Lease liabilities	3,051	4,850
Earn-out	34,162	28,600
Total	67,730	61,091

Lease liabilities, split into current and non-current components, represent the recognition of the current value of the remaining lease payments following the introduction of IFRS 16. Please see Note 20 for information on changes in lease liabilities during the period.

The **Earn-out** liability recorded in the amount of €20.5 million under other non-current financial liabilities as well as €12.0 million under the current portion, relates to the debt arising from the acquisition of doValue Greece linked to the achievement of certain EBITDA targets over a ten-year period and any payments will not be due before 2024.

The remaining Earn-out portion recognised under current financial liabilities amounts to €22.2 million and is linked to the portion of the acquisition price of doValue Spain which was supplemented by the interest expense for late payment of €4.7 million (€1.3 million of which already allocated to Provisions for risks and charges) relating to the arbitration award with Altamira Asset Management Holdings S.L.

Net financial indebtedness

In accordance with the requirements of Consob Communication of July 28, 2006, and in compliance with the CESR Recommendation of February 10, 2005 "Recommendations for the consistent implementation of the EU Regulation on prospectuses", the Company's net financial indebtedness as at December 31, 2023, breaks down as follows.

(€/000)

Note

12/31/2023 12/31/2022

10	A	Cash on hand	3	4
10	B	Cash at banks and short-term deposits	57,323	114,354
	D	Liquidity (A)+(B)+(C)	57,326	114,358
4	E	Current financial assets	141,789	74,692
13	G	Current portion of non-current debt	(9,768)	(9,865)
13	H	Liabilities on intercompany current account	(4,939)	(1,593)
14	I	Other current financial debt	(37,213)	(33,450)
	J	Current financial indebtedness (F)+(G)+(H)	(51,920)	(44,908)
	K	Net current financial indebtedness (I)+(E)+(D)	147,195	144,142
13	M	Bond Issued	(552,860)	(554,220)
14	N	Other non-current financial debt	(30,516)	(27,640)
4	O	Other non-current loans	11,350	70,930
	P	Non-current financial indebtedness (K)+(L)+(M)+(N)	(572,026)	(510,930)
	Q	Net financial indebtedness (J)+(O)	(424,831)	(366,788)

Compared with the Net Financial Position of €357.1 million reported in the Company's Directors' Report, to which reference should also be made for information on subsequent developments, this table includes the items reported under letters I and N, for a total of €67.7 million.

The following table reconciles the two different representations:

(€/000)	12/31/2023	12/31/2022
A Net financial indebtedness	(424,831)	(366,788)
B Other current financial debt	37,213	33,450
C Other non-current loans	30,516	27,640
D Items excluded from the Net financial position	67,729	61,090
G Net financial position (A)+(D)+(F)	(357,102)	(305,698)

NOTE 15 – EMPLOYEE BENEFITS

Within the Company, there are defined benefit plans, or plans for which the benefit is linked to the salary and seniority of the employee.

The defined benefit plans of the Italian companies mainly include "Post-employment benefits" in accordance with applicable regulations, as well as other provisions of a contractual nature and plans called "Seniority bonuses", the latter classified under Provisions for Risks and Charges.

In accordance with IAS 19, the obligations of defined benefit plans are determined using the "Projected Unit Credit" method. This method envisages that the present value of the benefits accrued by each participant in the plan during the year is recognised as an operating cost, considering both future salary increases and the benefit allocation formula. The total benefit that the participant expects to acquire at the retirement date is divided into units, associated on the one hand with the seniority accrued at the valuation date and on the other with the expected future seniority until retirement.

The following demographic assumptions were used in the valuation of the liabilities and benefits envisaged by the plans of the Italian scope:

Actuarial rate	1 year 3.67% - 5 years 2.96% - 15 years 3.34%
Salary increase rate	2.60%
Inflation rate	1 year 1.58% - 10 years 2.13% - 30 years 2.44%
Mortality	IPS55
Inability	INPS 2000
Advanced termination benefit	1.50%
Average annual percentage of personnel leaving	3.78%
Minimum requirements for retirement	According to the latest legislative provisions

Employee benefits restated for the application of IAS 19 changed as follows during the year.

(€/000)

	12/31/2023	12/31/2022
Opening balance	4,564	5,950
Increases	187	43
Provisions for the year	134	43
Others changes	53	-
Decreases	(224)	(1,429)
Benefits paid	(224)	(870)
Others changes	-	(559)
Closing balance	4,527	4,564

Overall, this item decreased by approximately €0.04 million compared to December 31, 2022.

From a sensitivity analysis regarding the assumptions relating to the parameters involved in the calculation, a change in the discount rate of 0.5% would not have produced significant effects on the determination of the debt.

NOTE 16 – PROVISIONS FOR RISKS AND CHARGES

(€/000)

	Total Funds against the item "Provisions for risk and charges" of the income statement				Funds against other items		
	Legal and Tax disputes	Out-of-court disputes and other provisions for risks	Provisions for other commitments and guarantees issued	Total Funds in exchange for "Provisions for risk and charges"	Potential liabilities for employees	Total 12/31/2023	Total 12/31/2022
Opening balances	4,621	8,681	-	13,302	514	13,816	13,917
Increases	2,835	1,045	-	3,880	115	3,995	5,645
Provisions for the year	2,684	875	-	3,559	49	3,608	5,510
Changes due to the passage of time and changes in the discount rate	151	170	-	321	66	387	106
Other changes	-	-	-	-	-	-	29
Decreases	(2,032)	(3,247)	-	(5,279)	(29)	(5,308)	(5,746)
Reallocations of the year	(669)	(1,479)	-	(2,148)	-	(2,148)	(3,125)
Utilisation for payment	(1,363)	(435)	-	(1,798)	(29)	(1,827)	(2,429)
Other changes	-	(1,333)	-	(1,333)	-	(1,333)	(192)
Closing balances	5,424	6,479	-	11,903	600	12,503	13,816

The item **legal disputes** recognised against the economic item “provisions for risks and charges” primarily includes funds in respect of the risks of litigation brought against the Company concerning its core activities. It increased by €0.8 million owing to the lesser impact of the settlement of a number of disputes compared with provisions for new disputes.

The item **out-of-court disputes and other risk provisions** decreased by €2.2 million, moving from €8.7 million as at December 31, 2022 to €6.5 million as at December 31, 2023, and mainly includes provisions for risks for which no litigation has currently been activated.

The item **potential liabilities for employees** includes provisions to finance any bonuses not governed by already existing agreements or determinable quantification mechanisms.

NOTE 17 – TRADE PAYABLES

(€/000)

	12/31/2023	12/31/2022
Payables to suppliers for invoices to be received	20,866	17,990
Payables to suppliers for invoices to be paid	9,111	2,469
Total	29,977	20,459

The figure for 2023 was €30.0 million, an increase of €9.5 million (47%) compared to the value recorded as at December 31, 2022, a change attributable to both categories of payables to suppliers highlighted.

NOTE 18 – OTHER LIABILITIES

(€/000)

	12/31/2023	12/31/2022
Other non-current liabilities	2,580	2,364
Amounts to be paid to third parties	2,305	2,008
Deferral of government grants related to assets	275	356
Other current liabilities	18,411	17,348
Amounts to be paid to third parties	1,449	849
Amounts due to personnel	8,934	9,856
<i>o.w. employees</i>	8,575	8,856
<i>o.w. members of Board of Directors and Auditors</i>	359	1,000
Amounts due to pension and social security institutions	2,965	2,656
Current payables on taxes other than income tax	3,283	-
Items being processed	745	1,381
Deferral of government grants related to assets	426	352
Other accrued expenses / deferred income	461	357
Other items	148	1,897
Total	20,991	19,712

As at December 31, 2023, the item amounted to €21.0 million compared to €19.7 million in 2022, with an overall decrease of €1.3 million.

With regard to **other non-current liabilities**, up by €0.2 million, the main component “Amounts to be paid to third parties” refers to the recognition of €2.3 million of liabilities relating to the acquisition of software with medium/long-term contracts.

The item **other current liabilities** shows an overall increase of €1.1 million.

“Amounts due to personnel” decreased by €0.9 million, mainly due to the payment of MBO bonuses related to the incentive system and early retirement incentives.

NOTE 19 – SHARE-BASED PAYMENTS

The Shareholders' Meeting of doValue on April 27, 2023, approved the Report on the 2023 Remuneration Policy and remuneration paid in 2022, leaving unchanged the 2022-2024 Remuneration Policy (hereinafter, the “Policy”), which had been approved by the Shareholders' Meeting of April 28, 2022, and which is applicable to Directors, Key Management Personnel and Members of Supervisory Bodies.

The Remuneration Policy is based on the 2022-2024 time horizon, in line with the Business Plan and thus able to ensure a high degree of consistency to the entire Governance system, to favour the coverage of key roles and also to guarantee an attractive remuneration offer to people who are key to the Group's long-term strategy.

The three-year Policy has confirmed the main characteristics of the previous remuneration policy, while introducing the following elements:

- maintenance of the variable remuneration strategy for Key management personnel, broken down as follows:
 - a short-term Management By Objectives (MBO) incentive plan to encourage annual performance, both financial and non-financial, with a focus on skills and conduct to improve alignment with doValue values across the Group;
 - a long-term incentive plan (LTI) to promote the alignment of participants with the long-term interests of the Stakeholders, to attract and retain individuals who are key to the long-term success of the Group, and to promote the “One-Group culture”;
 - an increased focus on ESG metrics as a key element in strengthening doValue's sustainability plan;
 - a review of the Peer Group in order to identify the relative “Total Shareholders Return” (TSR), to take into account the new structure of the doValue Group.

The Policy envisages remuneration systems in some cases based on the use of its own financial instruments.

In detail, they include the following types of remuneration:

- a portion of the fixed remuneration and the entire variable component of the Chief Executive Officer is paid in shares;
- a part of the variable remuneration of Key management personnel, specifically that deriving from the long-term incentive (LTI) plan, is paid in shares. The LTI plan provides for an annual grant ("rolling" plan) based entirely on doValue's shares ("Performance shares") and based on the assignment with a 3-year vesting period. The 2022-2024 cycle objective in line with the 2022-2024 Business Plan, while the objectives of the 2023-2025 and 2024-2026 cycles are set at the beginning of 2023 and 2024. The plan grants beneficiaries the right to receive, on a rolling basis, free company shares if a given set of return conditions is respected at the end of the vesting period.

The variable component of remuneration of the Chief Executive Officer indicated above is paid in part up-front and in part deferred over 3 years. The up-front portion is paid after the approval, by the Shareholders' Meeting, of the financial statements for the accrual period and no later than the month following approval. The deferred variable portion is instead postponed on a pro-rata basis on the three-year period following assignment of the variable up-front portion.

The disbursement of the deferred portion of the variable component of the Chief Executive Officer is subject to assessment by an Access Gate and certain malus conditions, measured as at December 31 of the year prior to vesting.

For the shares allocated to Key management personnel of the LTI plans, provision is made for a 1-year retention period for 50% of the shares accrued, while for the Chief Executive Officer, the shares received can be sold on a quarterly basis, for a maximum amount not exceeding 25% of the shares allocated.

The Group uses treasury shares for these remuneration plans.

The reference price for calculating the number of shares to be assigned as the equivalent value of the variable remuneration of the LTI plan is determined by using the average of the closing prices in the 3 months prior to the day on which the Board of Directors approves each allotment cycle.

Without prejudice to the right to compensation for any greater damage, after the payment of the variable compensation, doValue reserves the right, within 5 years from the date of allocation of the variable compensation, to request the beneficiary to return the bonus ("clawback"), in specific cases of fraudulent behaviour or gross negligence, violation of laws or of the Code of Ethics and company rules, or the attribution of a bonus on the basis of data that subsequently prove to be manifestly incorrect or intentionally altered. The malus conditions are also applicable if one of the clawback clauses occurs during the performance period.

	Grant date	Performance period	Verification of target achievement	Payout
2021 Plan (GM of April 28, 2021)	02/17/2022	2021-2023	2024	2024
2022 Plan (GM of April 28, 2022)	11/09/2022	2022-2024	2025	2025
2023 Plan (GM of April 27, 2023)	07/13/2023	2023-2025	2026	2026

	Number of shares granted at grant date	Fair value per share at the grant date	Number of shares potentially available for award	Number of beneficiaries
2021 Plan (GM of April 28, 2021)	194,371	€10.23	10,242	21
2022 Plan (GM of April 28, 2022)	297,953	€7.66	297,953	26
2023 Plan (GM of April 27, 2023))	357,108	€6.80	357,108	28

For more details on the mechanisms and terms of attribution of the shares, please refer to the information documentation published on the internet website of the doValue Group www.doValue.it ("Governance/Remuneration" section).

Effects of the voluntary resignation of the former Chief Executive Officer of the Group

The former Group CEO, having communicated his intention to voluntarily resign as of April 28, 2023, one year in advance of the expiry of his mandate, basing on the current Remuneration Policy, the former Group CEO was not entitled to any form of remuneration, except for the fixed remuneration accrued up to the date. Considering this, any other entitlement to remuneration not yet paid or assigned and for which the vesting period is not completed has been cancelled.

In line with the Remuneration Policy and the contract provisions, the upfront portion of the 2022 MBO awarded was paid after the Shareholders' Meeting of April 27, 2023, which approved the 2022 financial statements, while any deferred MBO regarding 2022 has been cancelled.

The amount recognised in the income statement for 2023 amounted to €5.9 million, with a corresponding amount reflected in a specific equity reserve.

NOTE 20 – LEASES

The Company entered into lease contracts in place for buildings, electronic equipment (hardware) and cars, which are classified as "other tangible assets" and are used for operations or assigned to employees.

The property leases generally have an original term of 6 years, while the vehicle leases generally have an original term of 4 years.

The liabilities in respect of these lease contracts are secured by the lessors' ownership of the leased assets.

In general, the Company may not sublet its leased assets to third parties. Most of the leases include renewal or cancellation options typical of property lease agreements, while none envisage variable payments.

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

(€/000)

	Buildings	Furniture	Electronic system	Other tangible assets	Total 12/31/2023	Total 12/31/2022
Opening balance	13,916	-	2,761	238	16,915	5,792
Increases	1,510	-	-	284	1,794	6,955
Purchases	797	-	-	284	1,081	17,071
Other changes	713	-	-	-	713	(10,116)
Decreases	(2,904)	-	(2,673)	(186)	(5,763)	4,168
Amortisation	(2,904)	-	(2,673)	(163)	(5,740)	(5,608)
Other changes	-	-	-	(23)	(23)	9,776
Closing balance	12,522	-	88	336	12,946	16,915

Information is provided below on the carrying amounts of the lease liabilities (included in the item "Other financial liabilities") and their changes in the year:

(€/000)

	12/31/2023	12/31/2022
Opening balance	16,443	5,106
Increases	2,399	14,979
New liabilities	1,081	14,745
Financial expenses	325	226
Others changes	993	8
Decreases	(5,780)	(3,642)
Payments	(5,538)	(3,248)
Others changes	(242)	(394)
Closing balance	13,062	16,443
o.w.: Non-current lease liabilities	10,011	11,593
o.w.: Current lease liabilities	3,051	4,850

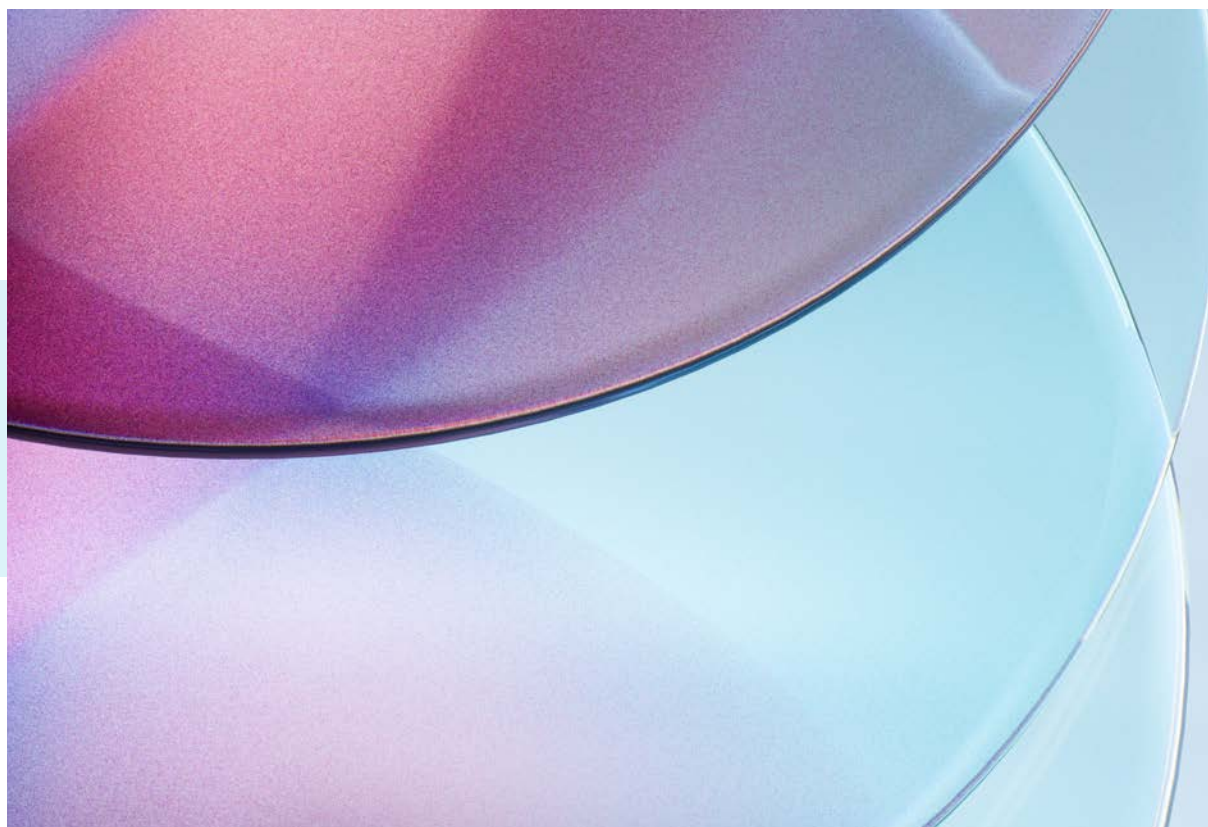
The increases due to new liabilities of €1.1 million mainly refer to the buildings category following the renewal of lease contracts for certain premises.

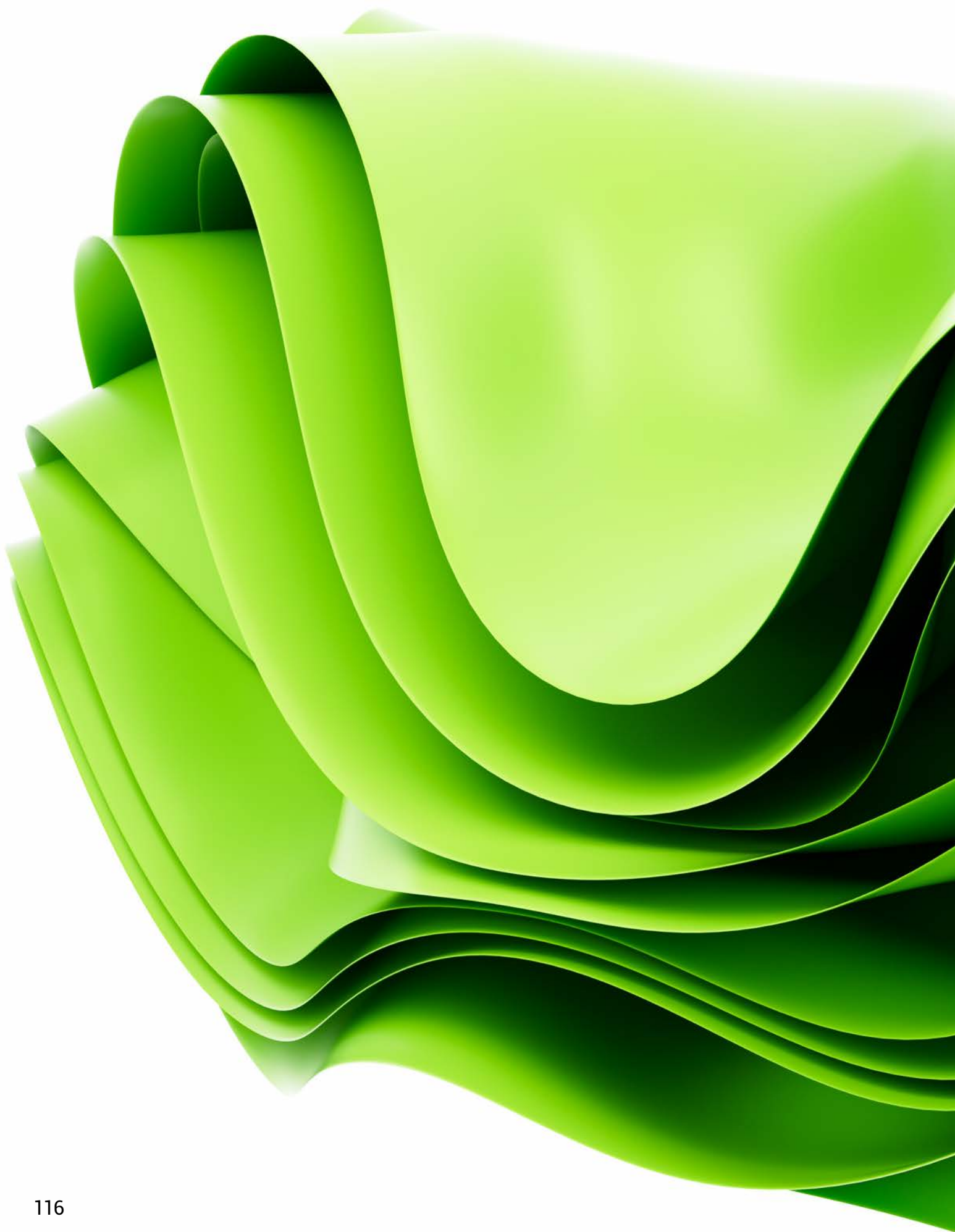
The amounts recognised in profit or loss are provided in the following table:

(€/000)	31/12/2023	31/12/2022
Amortisation of right-of-use assets	(5,740)	(5,608)
Financial expenses from lease liabilities	(325)	(226)
Total	(6,065)	5,834

The Company also holds lease contracts for certain electronic systems (hardware), property and vehicles with a term equal to or less than 12 months or whose value is low. For these contracts, the Company has elected to apply the exceptions provided for under IFRS 16 regarding short-term or low value leases for which a summary table is provided below showing the costs incurred during the year:

(€/000)	12/31/2023	12/31/2022
Costs relating to short-term leases	(5)	(25)
Costs relating to lease of assets with a low unit value	-	-
Total	(5)	(25)







4

INFORMATION ON INCOME STATEMENT

NOTE 21 – REVENUE FROM CONTRACTS WITH CUSTOMERS

(€/000)

12/31/2023 12/31/2022

Servicing services	16,376	23,430
Servicing for securitisations	95,264	118,438
Total	111,640	141,868

The item as a whole decreased by 21% compared to December 31, 2022.

This result derives from lower revenues recorded in both the component of **servicing services** (-30%) and of **servicing services for securitisation transactions** (-20%).

Performance obligations

Servicing services under mandate and for securitisation transactions

The servicing services include the administration, management and recovery of loans utilising in-court and out-of-court recovery processes on behalf and under the mandate of third parties for portfolios mainly consisting of non-performing loans.

These services normally include a performance obligation that is fulfilled over time: in fact, the customer simultaneously receives and uses the benefits of the recovery service and the service provided improves the credit that the customer controls.

For the recognition of revenues, the Company applies a valuation method based on the outputs represented by both the assets managed and the collections on each position under mandate, so as to recognise revenues for an amount equal to that for which it has the right to invoice the customer.

NOTE 22 – OTHER REVENUES

(€/000)

12/31/2023 12/31/2022

Administrative Servicing/Corporate Services Provider	24,432	21,603
Information services	(10)	-
Recovery of expenses	5,131	7,239
Due diligence & Advisory	853	2,044
Other revenues	1,379	1,038
Total	31,785	31,924

Down slightly (-0.4%) compared to December 31, 2022, the item includes revenues from Administrative Services/Corporate Services Providers, which include the "Master Legal" business line, Recovery of Expenses, revenues from the Due Diligence & Advisory activities and Other revenues relating to ancillary services.

NOTE 23 – COSTS FOR SERVICES RENDERED

(€/000)

	12/31/2023	12/31/2022
Costs for management of agency contracts	(6,601)	(7,685)
Costs for services	-	(95)
Total	(6,601)	(7,780)

The item, which includes the fees of the recovery network, decreased by 15% compared to December 31, 2022. The decrease in the category **cost for management of agency contracts** is justified by lower collections made through the external network.

NOTE 24 – PERSONNEL EXPENSES

(€/000)

	12/31/2023	12/31/2022
Payroll employees	(77,777)	(75,755)
Members of Board of Directors and Board of Auditors	3,892	(6,679)
Other personnel	(4,929)	(4,277)
Total	(78,814)	(86,711)

Average number of employees by category

	12/31/2023	12/31/2022
Payroll employees	900	929
a) Executives	38	41
b) Managers	387	381
c) Other employees	475	507
Other staff	14	12
Total	914	941

The item shows a decrease compared to the previous year (-9%), deriving from the combined effect of the increase in the cost of "employees" (3%) and "other personnel" (15%) and the reduction in costs for "directors and statutory auditors", whose component shows a positive amount due to the effect of the release of deferred variable remuneration previously allocated to the former CEO who resigned on April 27, 2023.

The decrease in personnel costs is in line with the decrease in the average number of employees (-2.9%).

In line with the objectives of the 2022-2024 Business Plan, personnel expenses include charges related to early retirement incentives (a total of €4.1 million), which were paid out during the year to employees who signed up to the plans launched by the Company.

With regard to the breakdown of the cost for employee benefits included in this item, please refer to Note 15 – Employee benefits.

NOTE 25 – ADMINISTRATIVE EXPENSES

(€/000)

12/31/2023 12/31/2022

External consultants	(16,179)	(13,840)
Information Technology	(11,696)	(13,749)
Administrative and logistical services	(6,415)	(6,212)
Rentals, building maintenance and security	(812)	(821)
Insurance	(1,580)	(1,860)
Indirect taxes and duties	(1,815)	(1,893)
Postal services, office supplies	(28)	(12)
Indirect personnel expenses	(780)	(742)
Debt collection	(836)	(1,681)
Utilities	(391)	(589)
Advertising and marketing	(92)	(172)
Other expenses	(294)	(173)
Total	(40,918)	(41,744)

The item as a whole shows a decrease of 2% compared to the previous year, mainly due to the reduction in IT expenses, those relating to receivables recovery and insurance expenses offset by the increase in external consultancy, mainly related to the activity of Master Legal, and expenses for administrative and logistic services.

NOTE 26 – OTHER OPERATING (EXPENSE)/INCOME

(€/000)

12/31/2023 12/31/2022

Recovery of expenses	-	(1)
Government grants	647	514
Reductions in assets	(99)	(29)
Other expenses	(6)	(75)
Other income	1,762	103
Total	2,304	512

In 2023, the item shows a positive balance of €2.3 million, an increase of €1.8 million compared to the previous year, essentially attributable to the "Other income" component, which includes other income related to the management of positions.

NOTE 27 – DEPRECIATION, AMORTISATION AND IMPAIRMENT

(€/000)

	12/31/2023	12/31/2022
Intangible assets	(7,543)	(5,874)
Amortisation	(7,543)	(5,874)
Property, plant and equipment	(6,300)	(6,417)
Amortisation	(6,300)	(6,417)
Financial assets measured at amortised cost	(238)	37
Write-downs	(248)	-
Write backs	10	37
Trade receivables	152	(159)
Write-downs	(28)	(501)
Write backs	180	342
Other assets	262	
Write backs	262	-
Total	(13,667)	(12,413)

The item recorded an increase of 10% compared to December 31, 2022, mainly determined by the higher amortisation of intangible assets and by the value adjustments of financial assets designated at amortised cost partially offset by lower depreciation of property, plant and equipment and lower value adjustments with respect to the write-backs of trade receivables.

The item is also affected by the effects of IFRS 16 for amortisation of rights of use, which amounted to €5.7 million in 2023.

NOTE 28 – PROVISIONS FOR RISKS AND CHARGES

(€/000)

	12/31/2023			12/31/2022		
	Provisions	Reallocations	Total	Provisions	Reallocations	Total
Legal and tax disputes	(2,836)	669	(2,167)	(1,663)	1,722	59
<i>of which: Employee disputes</i>	(23)	15	(8)	(27)	98	71
Out-of-court disputes and other provisions for risks	(1,044)	1,479	435	(3,904)	1,403	(2,501)
Total	(3,880)	2,148	(1,732)	(5,567)	3,125	(2,442)

The item, whose net balance showed a decrease of €0.7 million compared to the previous year, consists of operational changes in provisions, with the exception of those for employee benefits (classified under personnel expenses), allocated to meet legal and contractual obligations that are presumed will require an outflow of economic resources in subsequent years.

As at December 31, 2023, the item showed a negative balance of €1.7 million (€2.4 million as at December 31, 2022), due to the combined effect of the releases for provisions of previous years that are no longer needed and prudential provisions relating to both legal disputes and operational risks and other charges.

In particular, the 2022 provisions for **out-of-court disputes and other risk provisions** mainly refer to:

- risks related to ongoing arbitrations and other out-of-court disputes for €0.5 million;
- other operational risks for €0.4 million.

The reallocations (€1.5 million) mainly arise as a result of the release of previous provisions that faced possible risks that no longer exist in the absence of legal actions.

NOTE 29 – FINANCIAL (EXPENSE)/INCOME

(€/000)

	12/31/2023	12/31/2022
Financial income	10,867	6,804
Income from financial assets measured at fair value through P&L	1,274	1,507
Income from financial assets measured at amortised cost	9,139	5,087
Income from assets measured at fair value through comprehensive income	454	-
Other financial income	-	210
Financial expense	(31,391)	(27,667)
Expense from financial liabilities measured at amortised cost	(27,035)	(26,736)
Other financial expenses	(4,356)	(931)
Net change of other financial assets and liabilities measured at fair value through P&L	(2,809)	(915)
Financial assets - o.w.: debt securities	(1,619)	(550)
Financial assets - o.w.: units in collective investment undertakings	(891)	(652)
Financial assets - o.w.: non-hedging derivatives	(299)	287
Total	(23,333)	(21,778)

Financial income, which amounted to €10.9 million, up by €4.1 million compared to the previous year, mainly includes:

- income from the ABS securities of the two securitisations Romeo SPV and Mercuzio Securitisation (€0.6 million) and of the Mexico securitisation (€0.7 million);
- revenues accrued on loans granted to the subsidiaries doValue Spain (€1.9 million) and doValue Greece (€2.6 million);
- interest income on bank current accounts and term deposits (€1.6 million);
- interest relating to receivables for cash pooling from the subsidiaries doValue Spain and doValue Portugal (totalling €3.0 million);
- income (€0.5 million) realised following the partial buy-back of own debt securities, at a market value lower than the issue value (for further details, please refer to Note 13).

Financial expenses (€31.4 million), up by €3.7 million compared to the previous year, include the costs of the bond loan issued in August 2020 (€15.7 million) and the bond loan issued in July 2021 (€11.0 million) and interest expense relating to payables for cash pooling to the subsidiaries doNext, doData and doValue Cyprus (totalling €0.3 million). **"Other financial expenses"** essentially include the portion of interest calculated pursuant to IFRS 16 (€0.3 million), interest for late payment of the payable for the Earn out of doValue Spain (€3.3 million) and outsourcing fees on credit lines (€0.6 million).

The **net change in value of financial assets and liabilities measured at fair value through profit or loss** includes the fair value delta relating to the securitisation securities of Cairo, Romeo SPV, Mercuzio Securitisation and Mexico, whose measurement at fair value pursuant to IFRS 9 is negative for €1.6 million, as well as that relating to the portion of the Italian Recovery Fund, whose valuation based on the NAV of the transaction as at December 31, 2023, is positive for €0.9 million, and the fair value measurement the option contract connected to the investment in BidX1 positive for €0.3 million.

NOTE 30 – DIVIDENDS AND SIMILAR INCOME

This item, amounting to €22.5 million, includes dividends received from the investees doData for €1.2 million, doValue Greece for €20.0 million and doValue Greece Real Estate for €1.3 million.

NOTE 31 – INCOME TAX EXPENSE

Income tax is calculated by applying the standard corporate income tax rate (IRES) of 24%, and the Regional Tax on Production Activities (IRAP). As at December 31, 2023, in order to determine the IRAP rate of doValue, maintenance of the requirements of non-financial equity holding was verified, with the subsequent application of the tax base also to financial charges and income; the nominal rate for banks and financial institutions is 5.57% plus a further 0.15% for the regions with a health deficit).

The item, as a whole, recorded:

(€/000)	12/31/2023	12/31/2022
Current tax	-	(1,670)
Changes in prior year taxes	77	163
Changes in deferred taxes assets	(6,130)	(2,070)
Total	(6,053)	(3,577)

Income tax for the period amounted to €6.1 million on an accrual basis, up compared to the positive value of €3.6 million as at December 31, 2022, mainly due to the increase in the change of deferred tax assets (€4.1 million) partially offset by the decrease in current taxes (€1.7 million).

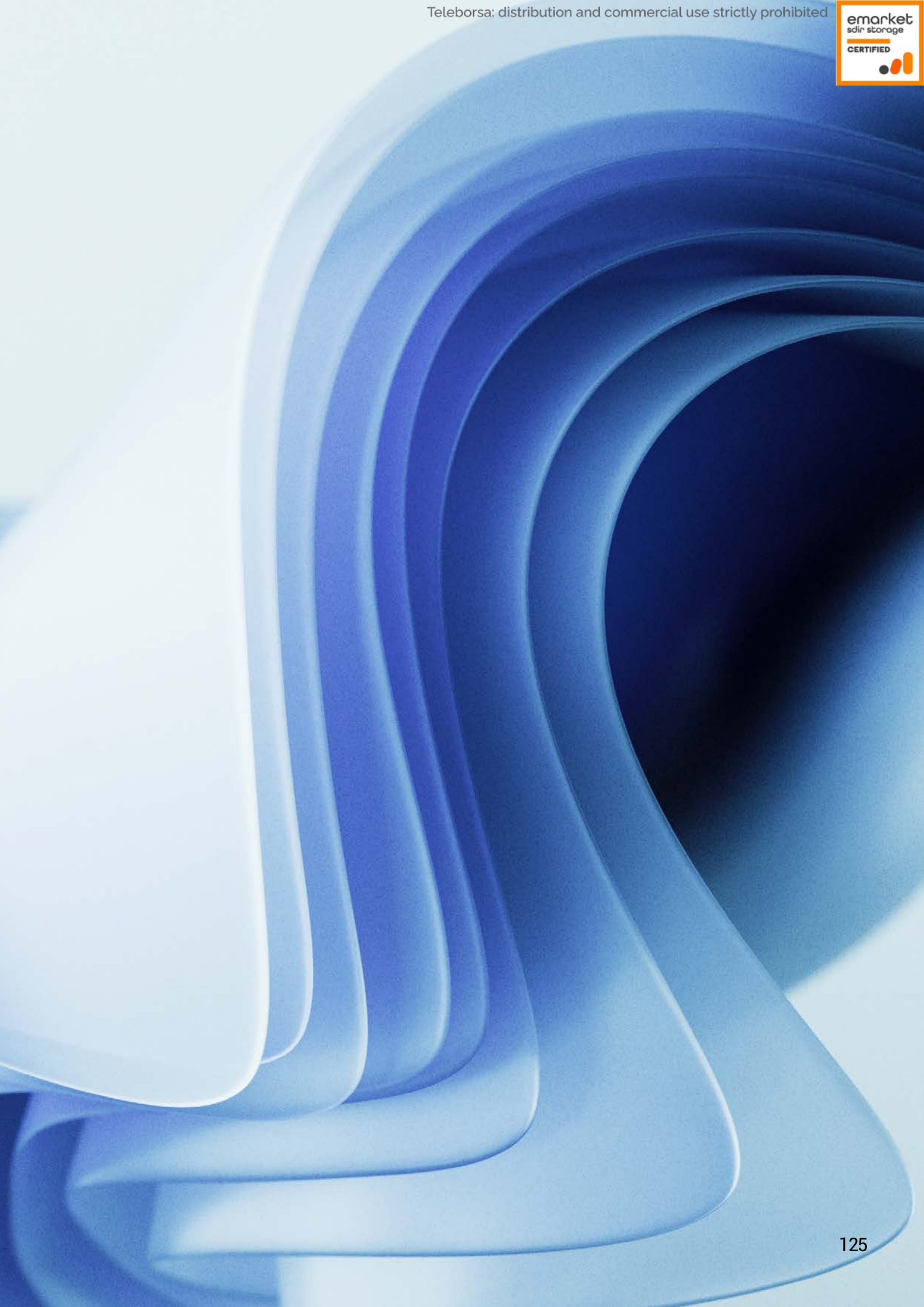
Below is a table detailing the tax effect on the components of the comprehensive income statement.

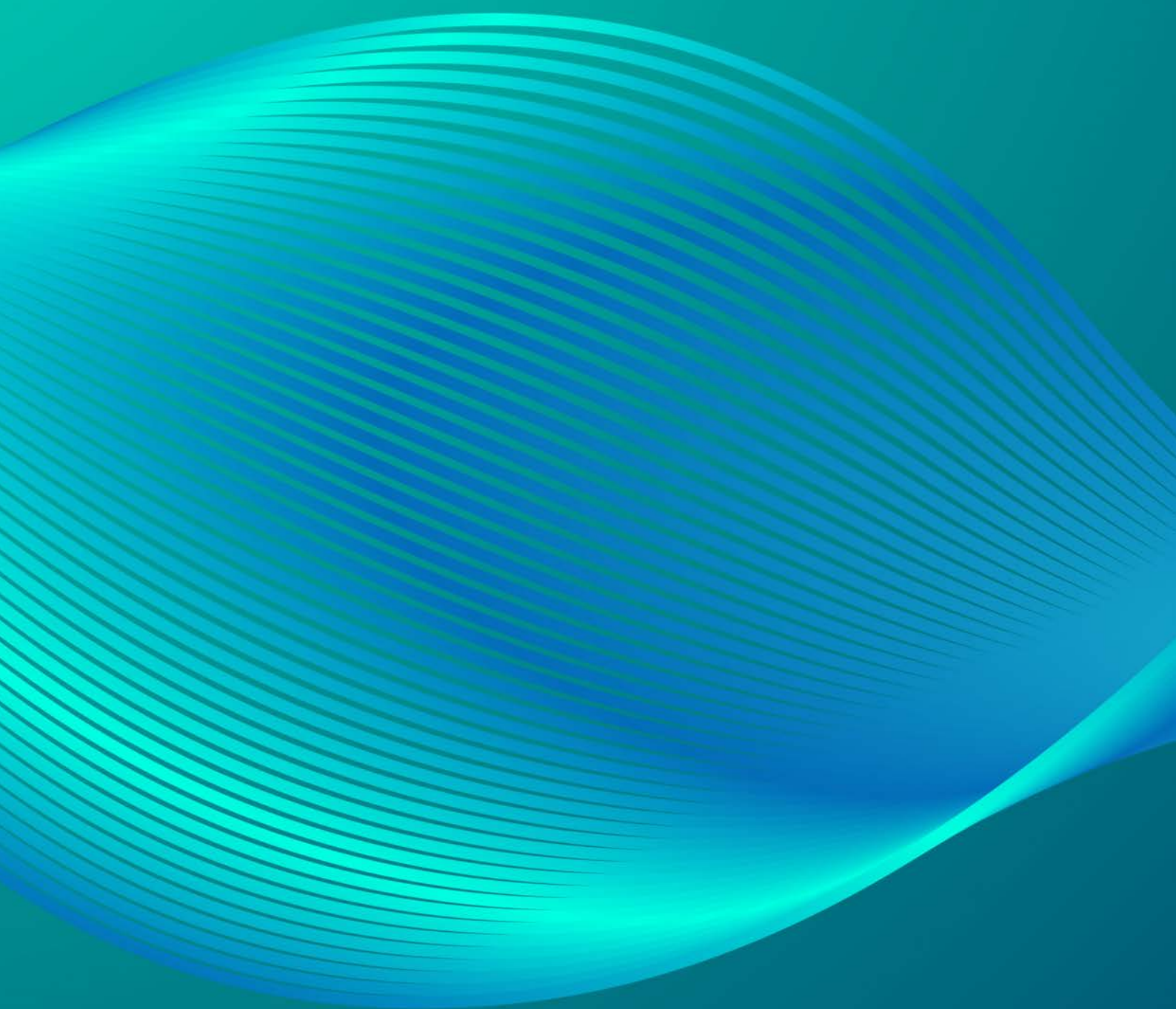
(€/000)	12/31/2023	12/31/2022
Defined benefit plans	13	(133)
Total	13	(133)

The reconciliation between the tax charge recognised in the consolidated financial statements and the theoretical tax charge, determined on the basis of the theoretical rates in force in Italy, is also

(€/000)	12/31/2023	12/31/2022
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	3,117	23,048
Theoretical tax rate	24%	24%
Theoretical computed taxes on income	(748)	(5,532)
- Non-taxable income - permanent differences	5,355	5,057
- Non-deductible expenses - permanent differences	(3,882)	(3,367)
- IRAP (regional business tax)	-	(900)
- Prior years and changes in tax rates	442	-
- Valuation adjustments and non-recognition of deferred tax assets/liabilities	(7,220)	-
- Other differences	1	1,165
Income tax recognised in income statement	(6,053)	(3,577)

For this reconciliation, IRAP tax is not taken into consideration since it has a taxable basis that is different from the result before tax. Therefore, theoretical income taxes are calculated by applying only the tax rate in effect ("IRES"), equal to 24%, on the result before tax of continuing operations.





5

INFORMATION ON RISKS AND RISK MANAGEMENT POLICIES

INTRODUCTION

doValue, in line with the applicable regulations and the reference best practices, has adopted an Internal Control System, which consists of instruments, organisational structures, company rules and regulations targeted at allowing, through an adequate process of company risk identification, measurement, management and monitoring, a sound and correct company management consistent with the pre-established performance targets and protection of company assets as a whole.

The Company Internal Control System is based on control bodies and departments, information flows and mechanisms to involve the applicable parties and Company governance mechanisms. More specifically, the Company has structured its internal control organisational model by aiming to ensure integration and coordination between the actors within the Internal Control System, in compliance with the principles of integration, proportionality and cost-effectiveness, as well as ensuring reliability, accuracy, trustworthiness and timeliness of financial information.



Financial risks

CREDIT RISK

Credit risk is the risk that a counterparty will not fulfil its obligations linked to a financial instrument or a commercial contract, therefore leading to a financial loss. This risk mainly derives from economic and financial factors, or from the possibility of a default situation of a counterparty.

The Company is exposed to credit risk deriving mainly from its operating activities, i.e. from trade receivables and, to a lesser extent, from its financing activities, deposits with leading banks and financial institutions and other financial instruments, as well as reduced non-performing positions owned.

Trade receivables, which are at very short term and are settled with payment of the related invoice, are essentially attributable to servicing contracts under which the Company accrues receivables in respect of their counterparties, who may default due to insolvency, economic events, liquidity shortages, operational deficiencies or other reasons.

In order to limit this risk, the Company monitors the positions of individual customers, analyses expected and actual cash flows in order to promptly undertake any recovery actions.

Pursuant to IFRS 9, at each reporting date, these receivables are subject to an assessment aimed at verifying whether there is evidence that the carrying amount of the assets cannot be fully recovered. As at December 31, 2023, the main trade counterparties were represented by banks and important Investors with high credit standing and Vehicle Companies established pursuant to the provisions of Italian Law 130/1999.

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

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

As regards the credit risk relating to relations with banks and financial institutions, the Company only uses interlocutors with a high credit standing.

LIQUIDITY RISK

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

The two main factors that determine the Company's liquidity situation are, on the one hand, the resources generated or absorbed by operating and investment activities and, on the other, the expiry and renewal characteristics of the debt or liquidity of financial investments and market conditions. The Company has adopted a series of policies and processes to optimise the management of financial resources, thereby reducing liquidity risk.

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

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

In order to ensure efficient liquidity management, treasury activities are largely centralised at the Holding level, with liquidity needs being met primarily from cash flows generated by the ordinary course of business and any surpluses being managed appropriately.

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

Regarding the outstanding bond loans, one maturing in August 2025 and the other in mid-2026, the Company began the appropriate activities for the repayment of the bond maturity in August 2025, assessing the best available options, including the issuance of a new bond with a five-year bond or the utilization of cash alongside a medium to long-term bank financing. The maturity in 2026 will be addressed, as per usual, with one year in advance in the second quarter of 2025.

(€/000)	On demand	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	12/31/2023	12/31/2022
Loans and other financing	4,939	9,768	-	552,860	-	567,567	565,677
Bank loans	-	105	-	-	-	105	125
Liabilities on intercompany current account	4,939	-	-	-	-	4,939	1,594
Bonds	-	9,663	-	552,860	-	562,523	563,958
Other financial liabilities	-	768	36,445	20,219	10,298	67,730	61,091
Lease liabilities	-	768	2,283	9,897	114	13,062	16,443
Earn-out	-	-	34,162	10,322	10,184	54,668	44,648
Trade payables	8,922	179	20,876	-	-	29,977	20,459
Other current liabilities	2,067	6,272	10,070	1,933	648	20,990	19,712
Total	15,928	16,987	67,391	575,012	10,946	686,264	666,939

MARKET RISK - INTEREST RATE RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will change due to variations in the market price. The market price includes three types of risk: interest rate risk, currency risk and other price risks, such as, for example, the equity risk. The financial instruments affected by market risk include loans and financing, deposits, debt and equity instruments and financial derivative instruments.

The Company, which uses external financial resources in the form of debt and uses available liquidity in bank deposits, is exposed to interest rate risk, which represents the risk that the fair value or future cash flows of a financial instrument will change due to variations in market interest rates. The Company's exposure to the risk of variations in market interest rates is related to medium-term indebtedness with variable interest rates.

The Company's financial structure has benefited from relatively low interest rates over the past 4-5 years, thanks to the fixed-rate bond issuances in 2020 and 2021, minimizing exposure to interest rate fluctuations. However, given the upcoming maturity of the 2025 bond loan, which will be refinanced during 2024, the Company's financial structure will be impacted in the short term by the prevailing interest rate conditions under which the instruments refinancing the 2025 and 2026 maturities will be issued.



Operational risks

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

This includes the following risks identified as part of the Company's activity and business:

- transactional and process risks that include:
 - the risks related to day-to-day operations borne by asset managers (e.g. timeliness of file allocation, requirements, mortgage guarantees);
 - the handling of complaints from debtors and/or other third parties;
 - the calculation of potential losses related to specific events ("risk events");
- the risk of conduct, with a special reference to whistle-blowing events and violations of the corporate code of ethics;
- legal and tax risks;
- external fraud;
- IT risk, to be understood as the unavailability of software applications in use, vulnerabilities in software applications and security incidents in the computer network;
- the concentration and performance risk of third-party suppliers used by the Company, with particular reference to outsourcing services.

The objective of monitoring these risks is to mitigate their potential impact and/or probability from a cost/benefit perspective in line with the defined Risk Appetite.

doValue adopts a set of controls, principles and rules to manage operational risk. In terms of organisation, the Enterprise Risk Management Function (hereinafter "ERM") was established in July 2022, whose mission is to ensure integrated risk management throughout the Company, acting as a facilitator of business growth and development by identifying, measuring and managing potential risks that may affect the Company.

The Enterprise Risk Management function was placed at Group level within the "Group Organisation & Enterprise Risk Management" area, reporting directly to the General Manager Corporate Functions.

ERM's main organisational responsibilities are:

- ensuring a Risk-Informed approach, i.e. providing information to doValue's Management and Board of Directors in order to support the decision-making process, based not only on expected performance but also on the underlying risk profile;
- guaranteeing integrated monitoring of potentially applicable risk categories at Group level, in line with the model of second-level controls;
- defining a common framework within the Group for identifying, assessing, measuring and monitoring risks, linking strategies, policies, processes and operating mechanisms and receiving information flows from local "Risk Management" functions and other functions where necessary;

- ensuring Group-wide monitoring, analysis and reporting on the evolution of risks, their mitigation actions, the overall risk profile and compliance with identified risk tolerance thresholds;
- supporting the monitoring of provisions for risks and charges in the Consolidated Financial Statements in cooperation with Group Finance.

In order to monitor and manage the Group's risks, a system of information flows has been implemented between the Group functions and local Risk Management on the different types of operational risk, which are summarised in a Tableau de Bord (TdB) to provide an overview of the risks monitored at Group level.

This TdB, which is shared quarterly with the Chief Executive Officer and the Committees and half-yearly with the doValue Board of Directors, includes in particular a set of Key Risk Indicators (KRIs), prepared monthly and/or quarterly, considering local peculiarities and existing regulations.

LEGAL AND TAX RISKS

Risks connected with litigation

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

The associated risks are assessed periodically in order to quantify a specific allocation to the "Provision for risks and charges" on the basis of the information that becomes available.

Risks connected with tax disputes

Regarding the events following the agreement reached with the Tax Authority in 2021 by the subsidiary doValue Spain Servicing S.A. (hereinafter "doValue Spain"), on May 11, 2023, the International Court of Arbitration of the International Chamber of Commerce issued the arbitral award condemning Altamira Asset Management Holdings S.L. (hereinafter "AAMH") to repay approximately €28 million, plus legal interest, in favor of doValue. Similarly, doValue S.p.A. (hereinafter "doValue") is required to make the Earn-out payment, inclusive of passive interests. The amounts related to the Spanish tax claim were paid in 2021 by doValue Spain to the Spanish Tax Authority in the context of the inspection launched in connection to facts and events occurred prior to the acquisition performed by doValue which took place in 2019. In response to this arbitral award, AAMH has initiated legal action, before the competent Spanish courts, seeking the partial annulment of the arbitral award concerning its obligation to pay the tax claim imposed under the arbitral award still pending to date. The judgment of the High Court of Justice of Madrid on the annulment action brought by AAMH should be announced no later than the beginning of May 2024.

Regarding the enforcement action initiated by the Parent Company doValue and its subsidiary doValue Spain in July 2023 to enforce and collect the sums due from AAMH, on December 21, 2023, the competent Court in Madrid issued an enforcement order, condemning AAMH to pay the amount specified in the arbitral award, leading to the seizure of all assets owned by AAMH. Regarding such executive procedure, AAMH has filed an opposition. On February 26, 2024, the competent Court in Madrid rejected the opposition filed by AAMH against the enforcement procedure that sentenced it to pay the amount stipulated in the arbitral award, resulting in the seizure of all assets. AAMH had the option to appeal against the order dismissing the opposition within 20 working days. This appeal does not suspend the execution process unless AAMH provides security for the entire amount owed (tax debt, interest, and potential damages).

On January 16, 2024, doValue deposited approximately €22 million with the competent Court, in execution of its own motion (i.e., the seizure of the Earn-out credit that AAMH holds against doValue pursuant to the arbitral award). Regarding these sums, attributable to the aforementioned Earn Out, the Court has consented to their use to satisfy a portion of the credit that doValue Spain holds against AAMH. The Court is currently processing the **case file**. A decision on the request for release to doValue Spain of these funds deposited judicially within the framework of the enforcement procedure is expected by the end of March 2024 or during April 2024. In light of the above, the Group holds a contingent asset and expects to realize an amount of at least approximately €22 million. Such collection is deemed highly probable, also considering that in order to suspend the enforcement, AAMH would have to resort to escrowing the entire amount due in favor of the doValue Group pursuant to the arbitral award. This latter possibility is considered remote.

Additionally, concerning the formal closure of the tax audit that doValue has received by the Italian Tax Authority concerning the fiscal years 2015, 2016 and 2017, prior to the listing, at the end of April 2023, a tax assessment was received in connection with the 2016 finding and for which it filed a tax settlement proposal to activate the adequate protection measures and demonstrate, supported by a pool of professionals, the reasons for the correctness of the own conduct. Following the inability to reach a settlement agreement, which was pursued to achieve an out-of-court agreement quickly and with minimal expenditure considering the correctness of its position, on December 16, 2023, the settlement procedure was formally closed, and a judicial appeal was filed.

On December 19, 2023, the Group also received a tax assessment for the 2017 fiscal year; the Company filed a tax settlement proposal on February 16, 2024, to demonstrate the correctness of its actions based on a multitude of well-founded elements from a legal tax perspective.

Considering the above for both assessments, the Parent Company deems the risk of liability possible and has also deemed it appropriate not to make provisions, net of legal expenses.

Capital management

For the purposes of the management of the Company share capital, it was defined that this includes the share premium reserve and all the other capital reserves attributable to the shareholders of doValue. The main objective of capital management is to maximise value for shareholders, safeguard business continuity, as well as support the development of the Group.

doValue therefore intends to maintain an adequate level of capitalisation, which at the same time makes it possible to achieve a satisfactory economic return for shareholders and to guarantee efficient access to external sources of financing.

The Company constantly monitors the evolution of the level of indebtedness to be compared to shareholders' equity and taking into account the generation of cash from the businesses in which it operates.

There are currently no financial covenants linked to a gearing ratio, i.e. the ratio between the net debt and the total capital plus the net debt, illustrated below.

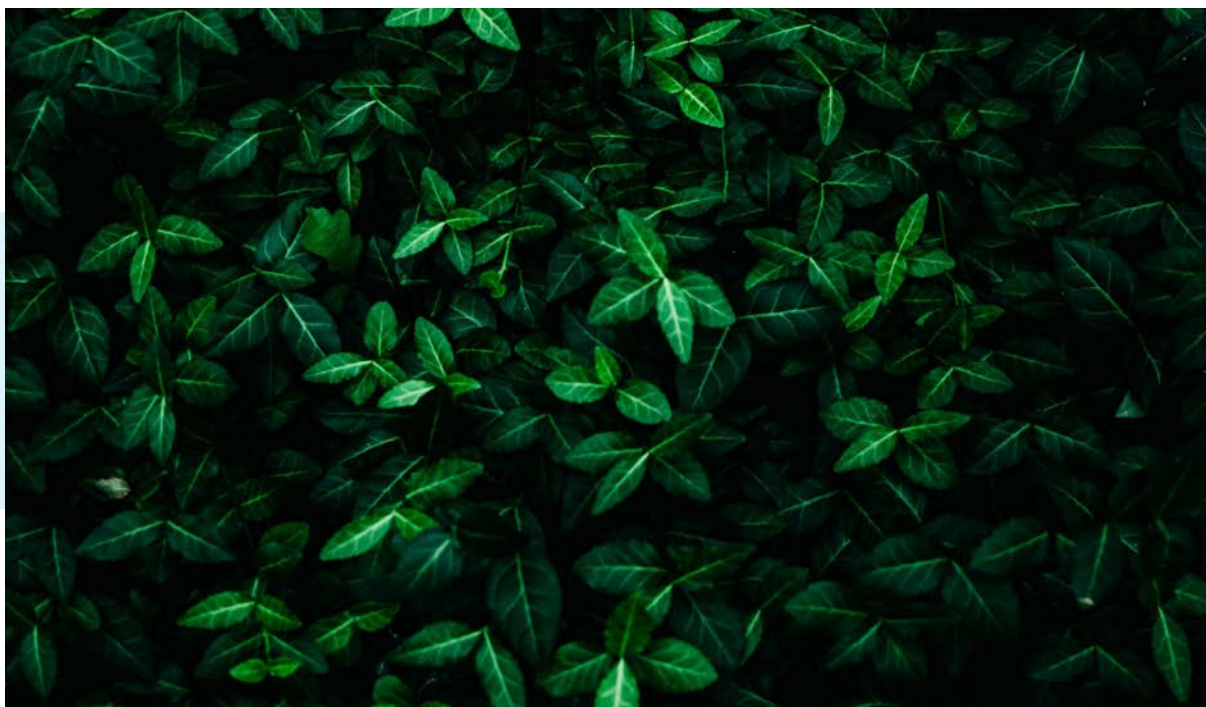
(€/000)	12/31/2023	12/31/2022
Loans and other financing (Note 13)	567,567	565,677
Other financial liabilities (Note 14)	67,730	61,091
Trade payables (Note 17)	29,977	20,459
Other liabilities (Note 18)	20,990	19,712
Less: cash and cash equivalents (Note 10)	(57,327)	(114,358)
Net debt (A)	628,937	552,581
Equity	129,214	190,190
Equity and net debt (B)	758,151	742,771
Gearing ratio (A/B)	83%	74%

The table below reconciles the **net debt** figure shown in the previous table with the **net financial indebtedness** presented in Note 14 of the "Information on the balance sheet" section.

(€/000)	12/31/2023	12/31/2022
Net financial indebtedness (Note 14)	424,831	366,788
Trade payables (Note 17)	29,977	20,459
Other liabilities (Note 18)	20,990	19,712
Current financial assets (Note 4)	141,789	74,692
Other non-current loans (Note 4)	11,350	70,930
Net debt (A)	628,937	552,581

Commitments and guarantees provided

As at December 31, 2023, there were commitments totalling €1.1 million relating to CIU units to be subscribed for the restricted closed-end alternative securities investment fund denominated Italian Recovery Fund (formerly Atlante II) (see also Note 3).

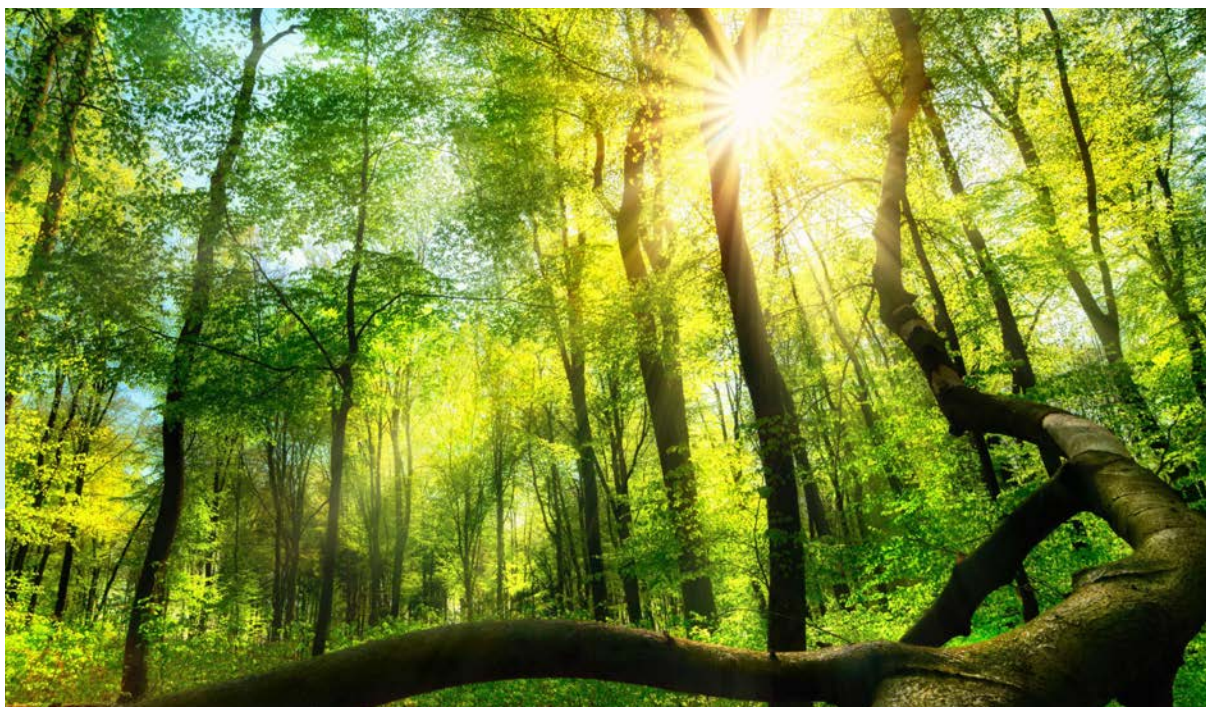


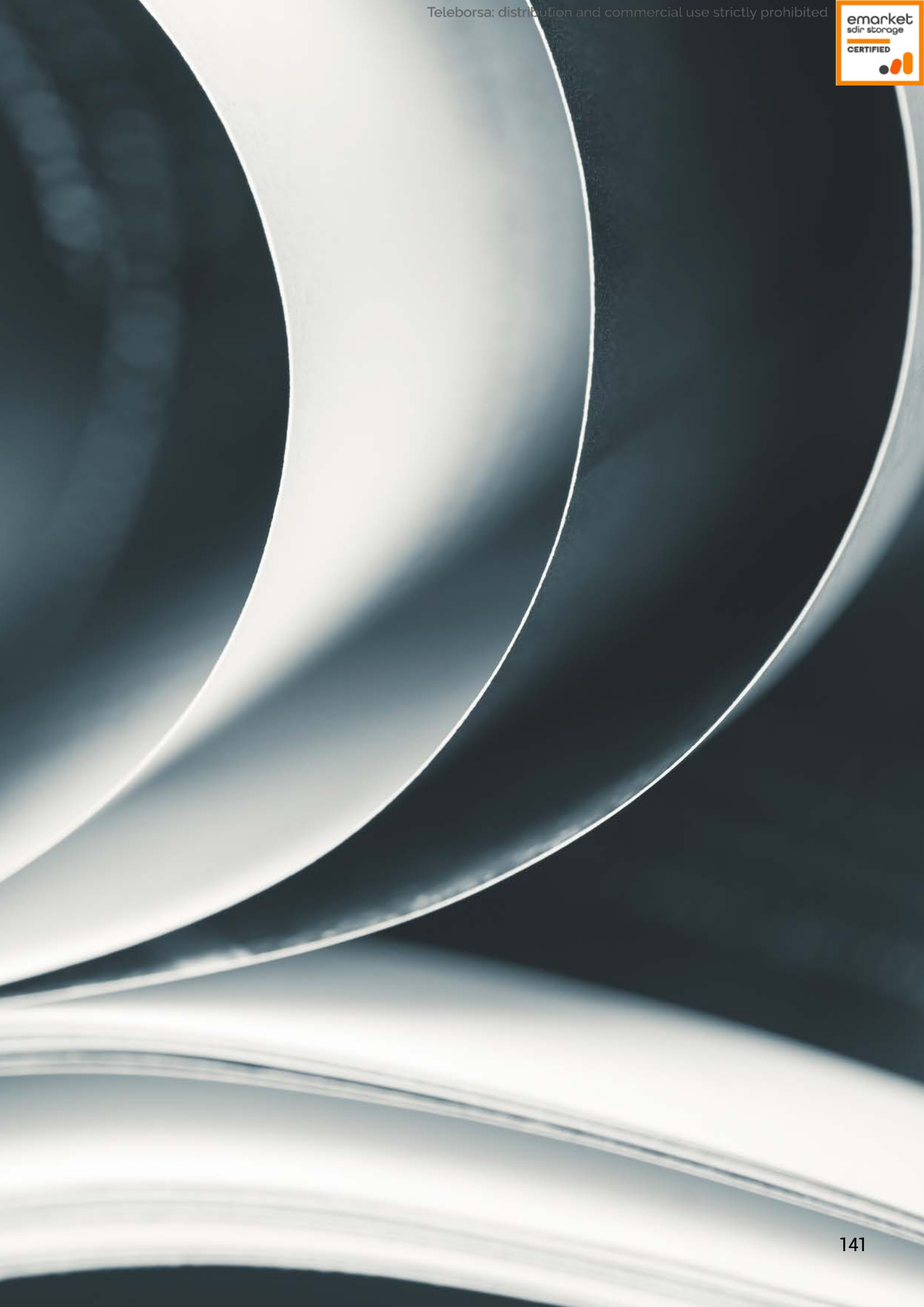


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SEGMENT REPORTING

For Segment Reporting, reference should be made to the representation in the Consolidated Financial Statements of the doValue Group as at December 31, 2023, as the Group uses the Region as a dimension of analysis; for these Statutory Financial Statements, the representation corresponds to that reported in the Consolidated Financial Statements for Italy.



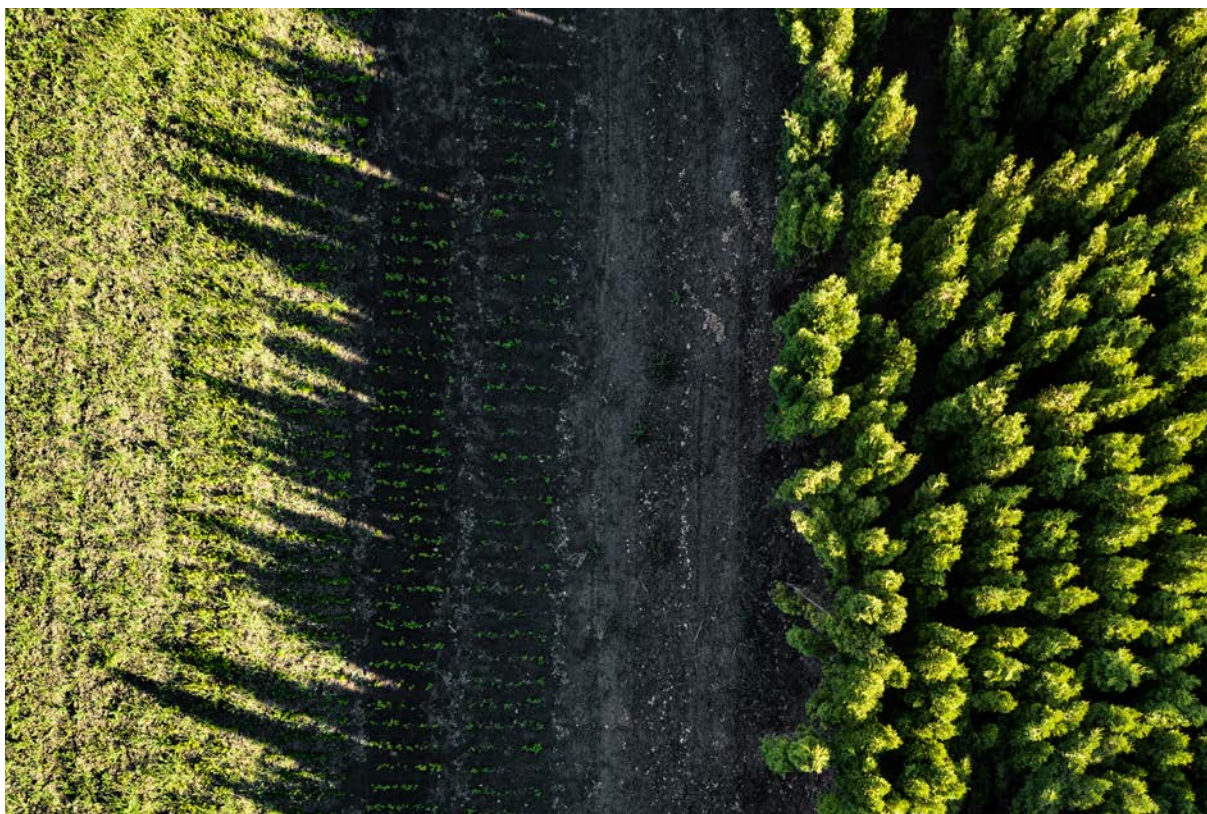


7

BUSINESS COMBINATIONS

BUSINESS COMBINATIONS COMPLETED IN THE PERIOD

For this section, please refer to the doValue Group's Consolidated Financial Statements as at December 31, 2023.





8

RELATED-PARTY TRANSACTIONS

INTRODUCTION

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

Pursuant to IAS 24, related parties are classified into the following categories:

- the Parent Company;
- the companies that jointly control or exercise significant influence over the company;
- the subsidiaries;
- the associates;
- the joint ventures;
- key management personnel;
- close family members of key management personnel and subsidiaries, including jointly, by key management personnel or their close family;
- other related parties.

In compliance with Consob Resolution no. 17221 of March 12, 2010, as amended, doValue has adopted the "Policy for the management of transactions with related parties and transactions conducted in situations of conflict of interest of the doValue Group", published on the corporate website of doValue (www.doValue.it), which defines the principles and rules for managing the risk associated with situations of possible conflict of interest engendered by the proximity of certain parties to decision-making centres.

To manage transactions with related parties, doValue established a Risks and Related Party Transactions Committee - composed of a minimum of 3 (three) and a maximum of 5 (five) members chosen from the non-executive members of the Board of Directors, and with the majority meeting independence requirements - charged with the task of issuing reasoned opinions to the Board of Directors regarding transactions with related parties in the cases governed by the procedure.



INFORMATION ON REMUNERATION OF KEY MANAGEMENT PERSONNEL

Information on the remuneration of key management personnel for the year 2023 is provided below. The definition of key management personnel, according to IAS 24, includes those who have the power and responsibility, directly or indirectly, for planning, managing and controlling the Company's activities. This category includes the members of the Board of Directors, including the Chief Executive Officer, the Statutory Auditors of the Company and of all the subsidiaries, as well as the other executives with strategic responsibilities identified in the "Relevant Personnel" scope.

(€/000)

Remuneration breakdown	12/31/2023
Short term benefits	4,144
Post-employment benefits	120
Share-based payments	521
Total	4,785

RELATED-PARTY TRANSACTIONS

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

All transactions with related parties carried out in 2023 were concluded in the interest of the Group and at market or standard conditions.

The following table shows the values outstanding as at December 31, 2023.

(€/000)

Financial Transactions	Consolidated subsidiaries	Key management personnel	Amount related to "Other related parties"	Total	Total as per financial statement	% of financial statement total
Non-current financial assets	11,350	-	2,056	13,406	56,931	23.6%
Current financial assets	141,788	-	-	141,788	141,789	100.0%
Trade receivables	12,023	-	9,848	21,871	80,191	27.3%
Other current assets	1,574	-	-	1,574	6,145	25.6%
Total Assets	166,735	-	11,904	178,639	285,056	62.7%
Trade payables	-	-	80	80	29,977	0.3%
Loans and other financing	4,939	-	-	4,939	14,707	33.6%
Other current liabilities	2	-	-	2	-	-
Total Liabilities	4,941	-	80	5,021	44,684	11.2%

(€/000)

Costs/Revenues	Consolidated subsidiaries	Key management personnel	Amount related to "Other related parties"	Total	Total as per financial statement	% of financial statement total
Revenue from contracts with customers	-	-	33,726	33,726	111,640	30.2%
Other revenue	7,579	-	1,979	9,558	31,785	30.1%
Administrative expenses	(2,626)	-	677	(1,949)	(40,918)	4.8%
Staff expenses	(2,533)	-	14	(2,519)	(78,814)	3.2%
Provisions for risks and charges	7,262	-	401	7,663	(23,333)	n.s.
Dividends	22,453	-	-	22,453	22,453	100.0%

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

The main relations with **Subsidiaries** relate to:

- doData: costs for land registry services and other services of €0.8 million, as well as net revenues from seconded personnel of €0.1 million were incurred. In addition, dividends of €1.2 million were collected. There is also a payable relating to the intercompany current account for cash pooling of €2.2 million;
- doNext: net revenues of seconded personnel accrued for €2.1 million. There is also a payable relating to the intercompany current account for cash pooling of €0.1 million;
- doValue Spain: net costs of seconded personnel accrued for €3.0 million. In addition, there is a loan disbursed by the Company, for a residual amount of €36.9 million at the end of the year and which led to the accrual of financial income of €1.9 million and a receivable relating to the intercompany current account for cash pooling for €75.8 million for which interest of €2.7 million accrued;
- doValue Greece: net costs of seconded personnel accrued for €1.7 million and dividends of €20.0 million were collected. In addition, there is a loan granted by the Company for a residual €34.2 million at the end of the year which generated financial income of €2.6 million;
- doValue Greece RE: dividends of €1.3 million were collected;
- doValue Portugal: net revenues of seconded personnel accrued for €0.1 million; there is also a receivable relating to the intercompany current account for cash pooling of €6.3 million for which interest accrued for €0.2 million.
- doValue Cyprus Limited: there is a receivable relating to the intercompany current account for cash pooling of €2.6 million for which interest accrued for €0.1 million.

With the aforementioned subsidiaries there are relationships for the supply of services for corporate activities and for the control functions carried out by doValue, on the basis of which revenues of €7.6 million and reimbursement of general expenses and IT costs of €2.5 million were accrued.

The trade receivables and payables shown in the above table essentially refer to the aforementioned service relationships.

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

- Securitisation SPV: the Company performs activities as an "authorised entity" in the context of securitisation transactions. Some of these vehicles, in particular those linked to Softbank, fall within the scope of related parties and for 2023 the amount of revenues from contracts with customers for this category of customers amounts to €33.7 million, while sundry revenues are equal to €1.8 million with corresponding trade receivables of €9.3 million as at December 31, 2023; for the vehicles Romeo SPV and Mercuzio Securitisation, for which the Group holds ABS notes, €2.1 million of financial assets and €0.4 million of financial income are also recorded;
- Companies affiliated to the Fortress group (FIG Italia, FIG LLC, Fortress Investment Group LLC, Arx Asset Management S.r.l.): doValue mainly carries out due diligence on the indicated company and in 2023 accrued revenues of €215 thousand, in addition to having trade receivables of €487 thousand at the end of the period; there is also an active staff secondment relationship with one of the companies, which generated income of €677 thousand;
- ReoCo: doValue manages property assets for certain ReoCo (real estate owned companies), with revenue from contracts with customers and other revenue during the period of €261 thousand and trade receivables of €191 thousand.

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ANNEXES

FEES PAID TO THE INDEPENDENT AUDITORS: INFORMATION PURSUANT TO ART. 149-DUODECIES OF THE CONSOB ISSUER REGULATION

(€)	doValue S.p.A.	
	Type of services	Fee for the year in Euros (excluding VAT and expenses)
	Auditing	241,000
	Audit related services	9,000
	Other services	33,000
	of which Non-Financial Statement	33,000
	Total	283,000

PUBLIC DISTRIBUTIONS PURSUANT TO ITALIAN LAW 124/2017

The law of August 4, 2017, No. 124 introduces, in article 1, paragraphs 125 to 129, some measures aimed at ensuring transparency in the system of public disbursements that fit into a regulatory framework of both European and national origin.

Also noteworthy is Circular Assonime no. 5 "Business Activities and Competition", published on February 22, 2019, which provides some guidelines and highlights the points of major uncertainty, hoping for regulatory intervention by the competent authorities to ensure correct and uniform compliance with obligations by companies, as well as non-application of the sanctions contained in the regulation itself.

That being said, the main criteria adopted by doValue S.p.A. and its subsidiaries based in Italy are outlined below, in line with the previously mentioned Assonime circular. Subsidies, contributions and economic benefits of any kind received from January 1 to December 31, 2023, have been considered.

doValue's information is presented below in table form.

(€)	Amount
Type of grant	
Employment Fund	45,600
Training contributions to the Banking Fund	353,812
Tax credit for technological innovation (L. 160/2019)	1,252,110
Total	1,651,522

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**PROPOSED
ALLOCATION**
OF NET PROFIT
FOR THE YEAR

PROPOSED ALLOCATION OF NET PROFIT FOR THE YEAR

"Dear Shareholders,

The Draft Annual Financial Statements for the year ended December 31, 2023, were approved by the Board of Directors on March 21, 2024.

The opinion of the auditing firm and the report of the Board of Statutory Auditors are at your disposal.

The Financial Statements for the year ended December 31, 2023, show a loss of Euro 2,936,289.57. The Consolidated Financial Statements, also approved by the Board of Directors on March 21, 2024 show a loss for the year attributable to the Shareholders of the Parent Company of Euro 17,829,640.00.

With regard to the loss for the year, it is proposed to cover it by using the extraordinary reserve. Furthermore, regarding the proposal to shareholders concerning the dividend, it is proposed not to distribute it in accordance with the policy envisaged by the Group's new business plan 2024-2026."

Rome, March 21, 2024

The Board of Directors

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CERTIFICATIONS AND REPORTS

doValue – Certification of the Financial Reporting Officer

Annual Financial Statements Certification pursuant to art.81-ter of Consob Regulation No.11971/99, as amended

1. The undersigned

- Mr. Manuela Franchi, in his capacity as Chief Executive Officer (CEO);
- Mr. Davide Soffietti, as the Financial Reporting Officer with preparing the financial reports of doValue S.p.A.;

of also in compliance with Art.154-bis, (paragraphs 3 and 4) of Italian Legislative Decree No.58 of 24 February 1998, do hereby certify:

- the adequacy in relation to the Legal Entity's features and
- the actual application of the administrative and accounting procedures for the preparation of the Annual Financial Statements, during the period 2023.

2. The adequacy of administrative and accounting procedures employed to draw up the 2023 Consolidated Financial Statements has been evaluated by applying a model developed by doValue S.p.A., in accordance with "Internal Control - Integrated Framework (CoSO)" and with the "Control Objective" for IT and Related Technologies (Cobit)", which represent reference standards for the internal control system and for financial reporting, generally accepted internationally.

3. The undersigned also certify that:

3.1 the 2023 Annual Financial Statements:

- a) were prepared in compliance with applicable international accounting standards recognised by the European Community pursuant to European Parliament and Council Regulation No.1606/2002 of 19 July 2002;
- b) correspond to the results of the accounting books and records;
- c) are suitable to provide a fair and correct representation of the economic and financial situation of the issuer;

3.2 the management report includes a reliable analysis of the management trend and result, as well as the situation of the issuer, together with the description of the main risks and uncertainties to which they are exposed.

Rome, March 21, 2024

Manuela Franchi



Chief Executive Officer

Davide Soffietti



Financial Reporting Officer



doValue S.p.A.

Financial statements as at 31 December 2023

Independent auditor's report pursuant to article 14 of
Legislative Decree n. 39, dated 27 January 2010, and
article 10 of EU Regulation n. 537/2014



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00187 Roma

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014 (Translation from the original Italian text)

To the shareholders of
doValue S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of doValue S.p.A. (the "Company"), which comprise the balance sheet as at 31 December 2023, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity and the cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005 and article 43 of Legislative Decree n. 136/2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

EY S.p.A.
Sede Legale: Via Meravigli, 12 – 20123 Milano
Sede Secondaria: Via Lombardia, 31 – 00187 Roma
Capitale Sociale Euro 2.600.000,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
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Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998

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We identified the following key audit matters:

Key Audit Matter	Audit Response
<p>Estimate of the accrued portion of servicing revenues and the effects deriving from the application of servicing contracts</p> <p>The Company operates mainly in the management and recovery of non-performing loans for banks and other financial institutions and the related revenues are recognized on an accrual basis, through the use of information technology management procedures and complex processes to account for the activities carried out, taking into account the different contractual specificities of each mandate.</p> <p>Approximately 85% of these revenues, recorded in the income statement caption "Revenues from contracts with customers", are attributable to servicing activities for securitization transactions and the remainder to mandated servicing activities. The aforementioned contracts also provide for detailed clauses of rights and duties for the Company in relation with counterparties, which may also generate contingent liabilities deriving from any failure to fulfil its contractual obligations.</p> <p>At end year, a part of these revenues is determined by the directors with a complex procedure of estimating the accruals for services matured during the period, taking into account the contractual agreements, the dynamics of the recoveries actually occurred and any contractual indemnities to be paid in relation to particular events or specific circumstances. As at the year-end date, the portion of servicing revenues without a clear acceptance by the counterparty amounted to 18% of the total invoices to be issued and 8% of the "Total revenues" in the income statement.</p> <p>Information on the criteria for recording and measuring revenues related to servicing contracts, as well as the risks and uncertainties associated with the use of estimates, is disclosed in the "Accounting policies" section of the notes to the financial statements.</p> <p>In view of the significance of the estimation of the accrued portion of servicing revenues for the financial statements as a whole and the complexity of the underlying determination process, we considered it to be a key aspect of the audit.</p>	<p>Our audit procedures in response to the key audit matter, included, inter alia:</p> <ul style="list-style-type: none"> • an understanding of the Company's key processes and controls in determining revenues from servicing contracts; • conducting compliance tests on the revenue determination process and consequent invoicing; • the carrying out of testing procedures having as their object the verification of the appropriateness of the methodology and the reasonableness of the assumptions used in the determination of revenues, both for the fixed and variable components; • the comparison of the estimates of the previous year with the data subsequently finalized and the analysis of the variances in order to support the reliability of the estimation process; • examination of the adequacy of the information disclosed in the notes to the financial statements.



Valuation of equity investments

Investments in subsidiaries as of December 31, 2023 amounted to Euro 400.9 million, representing 48.2% of total assets in the balance sheet.

The directors assess at least quarterly for impairment losses on investments in subsidiaries.

The processes and methods for assessing and determining the recoverable amount of each investment are based on assumptions that are sometimes complex and by their nature involve the use of judgment by the directors, in particular with reference to the forecast of their future profitability. In this context, for the purposes of estimating future cash flows, management used the forward-looking information determined in line with the doValue Group's 2024-2026 business plan approved by the directors on 20 March 2024, including the forecast data relating to the servicing contracts of the individual investee companies.

Information on the criteria for the recognition and measurement of equity investments, as well as the risks and uncertainties associated with the use of the estimates underlying the valuation process, is disclosed in the Accounting Policies section of the notes to the financial statements.

In view of the significance of the value of investments for the financial statements as a whole, the judgment required and the complexity of the assumptions used in estimating their recoverable value, we considered that the valuation of investments is a key aspect of the audit.

Our audit procedures in response to the key aspect, also carried out with the support of our experts in company valuations, included, inter alia:

- an understanding of the process and key controls put in place regarding the identification of any impairment indicators and the consequent method of determining the recoverable amount of investments at the balance sheet date;
- the examination of the valuation carried out by the company's management regarding the impairment losses of any investments identified on the basis of the estimate of future cash flows provided in the doValue Group's 2024-2026 business plan, including the forecast data relating to the servicing contracts of the individual investee companies;
- the assessment of the appropriateness of the methodology and the reasonableness of the assumptions used to determine the recoverable value of the investments, as well as the verification of the mathematical accuracy of the calculations;
- examination of the documentation supporting the most significant changes during the year;
- examination of the adequacy of the information disclosed in the notes to the financial statements.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005 and article 43 of Legislative Decree n. 136/2015, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Statutory Board of Auditors ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of doValue S.p.A., in the general meeting held on 17 June 2016, engaged us to perform the audits of the separate and consolidated financial statements of the Company for each of the years ending 31 December 2016 to 31 December 2024.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the Statutory Board of Auditors (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of doValue S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the financial statements, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the financial statements as at 31 December 2023 with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at 31 December 2023 have been prepared in the XHTML format, in compliance with the provisions of the Delegated Regulation.



Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of doValue S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of doValue S.p.A. as at 31 December 2023, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements of doValue S.p.A. as at 31 December 2023 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements of doValue S.p.A. as at 31 December 2023 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Rome, 28 March 2024

EY S.p.A.

Signed by: Wassim Abou Said, Auditor

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

**REPORT BY THE BOARD OF STATUTORY AUDITORS
to the Shareholders' Meeting of doValue S.p.A.
in accordance with Article 153 of Italian Legislative Decree 58/1998 and Article
2429, paragraph 2 of the Italian Civil Code**

Dear Shareholders,

In this report, drafted in accordance with Article 153 of Italian Legislative Decree 58/1998 and Article 2429, paragraph 2 of the Italian Civil Code, the Board of Statutory Auditors of doValue S.p.A. (hereinafter also the "Company" or the "Parent Company") illustrates the supervisory activities it has performed in 2023 and their results, in accordance with the requirements of CONSOB Communication no. DEM/1025564 of 6 April 2001 as amended.

The current Board of Statutory Auditors was appointed by the Shareholders' Meeting on 29 April 2021 in accordance with current legal, regulatory and statutory provisions, also taking into account the provisions on gender balance, and will remain in office until the Shareholders' Meeting to approve the financial statements for the year ending 31 December 2023.

The Shareholders will therefore be called upon, at today's meeting, to renew the supervisory body.

In accordance with the *governance* model adopted by the Company, as well as taking into account the current legal and regulatory provisions, on 29 April 2021 the Board of Directors assigned the functions of Supervisory Board pursuant to Legislative Decree 231/2001 to the Board of Statutory Auditors.

During the year ended 31 December 2023, the Board of Statutory Auditors carried out its official tasks in compliance with the Italian Civil Code, Italian Legislative Decrees no. 58/1998 ("Consolidated Law on Finance") and no. 39/2010 as amended and supplemented, and the provisions issued by the Authorities carrying out supervisory and control activities. The Board of Statutory Auditors also complied with the principles of conduct of the Board of Statutory Auditors recommended by the National Council of Chartered Accountants, as well as with the indications contained in the Corporate Governance Code for listed companies.

During the year, the Board of Statutory Auditors:

- held 26 board meetings attended by all members in office;
- took part, usually collectively, in 22 meetings held by the Board of Directors;
- attended, with the presence of the Chairman of the Board of Statutory Auditors and/or other auditors, 12 meetings held by the Risks, Operations with Related Parties and Sustainability Committee (hereinafter also "Risks Committee");
- attended, with the presence of the Chairman of the Board of Statutory Auditors and/or other auditors, 19 meetings held by the Appointments and Remuneration Committee;
- maintained a constant flow of information and held regular meetings with the Auditing Firm, to promptly exchange relevant information and data in order to carry out their respective duties;
- maintained a constant flow of information and held regular meetings with the Company's Control Departments;

- participated in the regular exchange of information with the Board of Statutory Auditors of the Italian subsidiary doNext Spa, facilitated by the presence of two of the Parent Company's auditors on the Supervisory Board of the aforementioned company.

During the Board of Directors' meetings, the Board of Statutory Auditors was informed by the Directors on the activity performed by the Company and by the Group which it heads, as well as on the most significant economic, financial and equity transactions performed by the Company and by the Group, also in compliance with Article 150, paragraph 1 of the Consolidated Law on Finance. The Board of Statutory Auditors also acknowledges that the Directors, where applicable, provided advance communication, in accordance with Article 2391 of the Italian Civil Code, of transactions that are believed to potentially carry a conflict of interests and were resolved in compliance with the specific applicable regulations.

The acquisition of information instrumental to the performance of its institutional duties also took place through meetings with the CEO of the Company and with the Heads of Department, as well as through the examination of information flows coming from the corporate structures, the Auditing Firm and the Board of Statutory Auditors of the above-mentioned Italian subsidiary.

The constant liaison with the Company Control Departments and the other departments with control responsibilities, guaranteed an important and continuous flow of information which, supplemented by direct observations and specific supervisory activities, allowed the Board of Statutory Auditors to express adequate assessments on the various issues under its supervision and controls under its remit.

All that granted, we provide below the information, inter alia, cited in CONSOB Communication no. DEM/1025664 of 6 April 2001, as amended and supplemented.

1. Considerations on the most significant economic, financial and equity transactions performed by the Company and on their compliance with the Law and the Deed of Incorporation

Based upon the information received, also through participation in meetings of the Board of Directors, the Board of Statutory Auditors has monitored the most significant economic, financial and equity transactions resolved upon and implemented by the Company and by the Group in 2023. As a result of the analyses performed, the Board of Statutory Auditors can reasonably state that the operations resolved upon and implemented are compliant with the Law and the Articles of Association and with the principles of correct administration, they are not manifestly imprudent, risky, do not harbour potential conflicts of interest, in contrast with the resolutions made by the Shareholders' Meeting or likely to compromise the integrity of the company assets and assisted, where necessary, by structured analysis and assessment processes also with the support of third party experts.

With particular reference to significant events occurring in the period, the Report on Operations highlights the following:

Start of management of new credit portfolios

As at 31 December 2023, the Portfolio Managed by the Group (GBV) in the 5 reference markets of Italy, Spain, Portugal, Greece and Cyprus amounting to € 116.4 billion, with a marginal decrease of approximately 3.4% compared to the € 120.5 billion with which the Group closed the year 2022. New flows equal to approximately € 9.7 billion, of which approximately 18% refer to the Italian market, 22% to the Iberian peninsula and 60% to the Greek area.

The evolution of the Portfolio under Management, which only includes *onboarded* portfolios, in 2023 was characterised by contracts related to new customers totalling €6.3 billion, of which approximately €4.5 billion in the Greek area, approximately €0.8 billion in the Iberian and approximately €1.0 billion in Italy.

In addition to the flows listed above, a further €3,4 billion comes from existing customers *onboarded* through flow contracts.

With regard to the decrease in GBV, disposals totalling €4.3 billion and write-offs totalling €4.5 billion were recorded for the period.

Resignation of the CEO and appointment of Manuela Franchi as new CEO.

On March 17, 2023, the CEO Andrea Mangoni announced his intention to resign from his role, with effective date April 27, to take on new professional opportunities.

The Board of Directors activated the relevant internal procedures aimed at setting in motion the succession process for the CEO position. In line with the remuneration policy adopted by the Company, no indemnities or other benefits were paid in relation to the termination of the CEO's office.

On April 27, 2023, the Board of Directors of doValue S.p.A. co-opted Manuela Franchi as interim Group CEO with the aim of ensuring full continuity and stability in the Group's management.

Following a process for the evaluation of internal and external candidates activated by the Board of Directors of doValue, on August 3, 2023 Manuela Franchi was finally confirmed by unanimous decision in her role as Group CEO.

Increase in participation in doValue Spain

Upon expiry of the option to sell the residual minority stake (equal to 15%) of doValue Spain, extended to the end of September 2023 through the agreement signed on 26 June 2023 with which the exercise price of the option was also defined, the notification for the exercise of the option was received on 29 September. The formalization and execution of the transfer of the minority share of doValue Spain took effect from 24 October 2023 ("Transfer date"). Therefore, as of 31 December 2023 the Group holds 100% of doValue Spain and doValue Special Projects Cyprus.

Launch of the doValue Portugal sales process

In November 2023, the Board of Directors of doValue Spain, as the sole shareholder of the subsidiary doValue Portugal Unipessoal Limitada, resolved to start the sale process of the same, in consideration of the negative economic and financial prospects of the company, despite the initiatives undertaken to reduce economic losses.

Adsolum Real Estate S.L. closure

On 12 January 2024, the Board of Directors resolved to start the process of closing down Adsolum Real Estate SL, the company created from the spin-off of the REO business unit of doValue Spain, which became effective as of 1 January 2021. This process involves the offboarding of the remaining customer, the liquidation of land options and the collective dismissal of personnel.

Once the above process has been completed, the company will be merged directly into doValue Spain, as it is currently the sole shareholder, by transferring all assets and liabilities.

The liquidation is a consequence of the difficult context of interest rates and regulatory outlooks on rents in Spain, which include limits on rent increases and restrictions on the eviction processes that did not allow the company to achieve its business expectations.

Purchase of TEAM 4 Collection and Consulting S.L.U.

On 29 December 2023, doValue Spain formalized the full acquisition of Team 4 Collection & Consulting SLU aimed at accelerating the activity expansion strategy related to the management of small non-secured loans.

Capital contributions in the Iberian Region

Subsequent to December 31, 2023, capital contributions were resolved for both subsidiaries of the Iberia region, respectively for doValue Spain Servicing S.A. and doValue Portugal Unipessoal Limitada, as their respective capital accounts were below the limits established by law.

2024-2026 Business Plan

On March 20, 2024, the Board of Directors of doValue approved the Group's 2024-2026 Business Plan.

The new Plan aims to improve profitability and cash flows, also through diversification, innovation and efficiency.

Among other things, the Business Plan envisages the maintenance of the significant market share in Southern Europe (15-20%), a greater diversification of revenues with the aim of generating approximately 35-40% of revenues from businesses other than NPLs, a greater efficiency of the process and the maintenance of a solid capital structure with leverage of the 2,1-2,3x range.

Potential combination with GARDANT

On March 21, 2024 doValue, Elliott Advisors (UK) Limited ("EAUK") and Tiber Investments S.à r.l. ("Tiber"), an affiliate of funds advised by EAUK, have entered into a nonbinding heads of terms identifying certain key terms for a potential combination with Gardant S.p.A ("Gardant") based on which negotiations will now proceed on an exclusive basis aimed at finalizing a binding agreement. The transaction potentially entails the acquisition of 100% of Gardant by doValue, also through a capital increase reserved for the seller, and would enable doValue to strengthen its equity position and increase its market share in Italy alongside strong strategic partners.

The potential consequences of the extraordinary operation were not considered in the development of the new Business Plan.

2. Indication of any existence of atypical and/or unusual transactions, including intergroup or with related parties

The Board of Statutory Auditors has not identified nor received information from the Auditing Firm, the Head of Internal Audit, the Head of the Control Department, the top management of the Company or the Board of Statutory Auditors of the Italian subsidiary about any atypical and/or unusual transactions, including intragroup or related party transactions.

3. Intragroup or related party transactions

Transactions with related parties are governed by the "Policy for the management of transactions with related parties and transactions in conflict of interest of the doValue Group" ("RPT Policy"), prepared pursuant to Consob Regulation no. 17221/2010 and approved by the Board of Directors, in its most updated version, on 17 June 2021.

On a quarterly basis, the Board of Board of Statutory Auditors received reports on transactions with related parties within the Group's scope, managed centrally by the Parent Company, and

participated in the meetings of the Sustainability Risks and Related Parties Committee in which said reporting was discussed, also with particular attention to the excluded transactions.

In the Annual Financial Report, the Board of Directors has provided full details of transactions carried out with related parties, explaining their economic, equity and financial effects, as well as the methods of determining the amount of all related fees, and stating that they were carried out in the interests of the Company and on an arm's length or standard basis.

By taking part in the meetings of the Board of Directors, the Board of Statutory Auditors acknowledges that, in accordance with the aforementioned *policy*, the CEO has periodically provided information on the transactions carried out with related parties by the Company and the Group companies. In terms of procedural correctness, the Directors with an interest (including a potential or indirect interest) in the transaction have informed the Board of Directors of the existence and nature of that interest.

For its part, the Board of Statutory Auditors has not identified violations of the provisions of Law and the Articles of Association or transactions implemented by the Directors which are manifestly imprudent or risky, in contrast with the resolutions made by the Shareholders' Meeting or in any case likely to compromise the integrity of the company's assets.

Insofar as the Board of Statutory Auditors is aware, those transactions were concluded in the Company's interest and do not require any observations on their fairness, as they fall within the Company's ordinary operations.

The Board of Statutory Auditors was informed that, on the initiative of the Related Parties Committee, an assessment of the policy and procedures in force was carried out with the support of an external consultant in order to verify their adequacy and any areas for improvement.

4. Comments and proposals on findings and on the review of previous disclosures contained in the Report of the Auditing Firm

The Auditing Firm EY S.p.A. ("E&Y") has issued on today's date the following Reports:

- the auditing report drafted in accordance with Article 14 of Italian Legislative Decree 39/2010 and Article 10 of Regulation EU no. 537/2014, certifying that the financial statements of doValue S.p.A. and the Consolidated Financial Statements of the doValue Group are compliant with *International Financial Reporting Standards* (IFRS), as well as the measures issued in implementation of Article 9 of Italian Legislative Decree 38/2005 and Article 43 of Italian Legislative Decree 136/2015, are drafted with clarity, and truthfully and correctly represent the equity and financial situation, the result on operations and cash flows of the Company and of the Group;
- the additional report, in accordance with Article 11 of Regulation EU no. 537/2014, issued to the Board of Statutory Auditors in its capacity as Internal Control and Accounts Audit Committee, which illustrates the results of the statutory accounts audit carried out and includes the declaration on independence indicated in Article 6, paragraph 2 letter a) of the cited Regulation.

The Auditing Firm has also certified that the Report on Operations and the information of the Corporate Governance and Ownership Report indicated in Article 123-bis, paragraph 4 of the Consolidated Law on Finance are consistent with the financial statements and the Consolidated Financial Statements of the Group and are drafted in compliance with the Law.

With reference to the Report on Operations, EY has confirmed, as regards the presence of any significant errors, that it has nothing to declare.

The audit reports, which do not contain any requests for information or findings, indicate the "key issues" that emerged during the course of the audit in accordance with International Standards on Auditing (ISA Italia) 701, which have already been reported to the Board during the regular meetings.

With regard to the audit report on the Financial Statements, the key aspects of the audit are represented by (i) the valuation of the equity investments and (ii) the estimate of the accrual portion of servicing revenues and the effect deriving from the application of servicing contracts.

With regard to the Consolidated Financial Statements, the key aspects of the audit are represented by (i) the impairment test of goodwill and other intangible assets relating to *servicing* contracts and (ii) the estimate of the accrual portion of servicing revenues and the effect deriving from the application of servicing contracts.

With reference to the implementation of the provisions of the Delegated Regulation (EU) 2019/815 of the European Commission with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format), EY expressed the opinion that the separate and consolidated financial statements were prepared in XHTML format and the consolidated financial statements were also marked up and thus complied, in all significant aspects, with the provisions of the aforementioned Delegated Regulation. The audit report of the Consolidated Financial Statements specifies that "Some information contained in the explanatory notes to the consolidated financial statements, when extracted from the XHTML format in an XBRL instance, may not be reproduced in an identical manner with respect to the corresponding information that can be viewed in the consolidated financial statements in XHTML format".

During the meetings and contacts held with the Auditing Firm no censurable facts related to the Directors emerged.

In accordance with the provisions of Italian Legislative Decree 254/2016 implementing Directive 2014/95/EU, on 20 March the Company's Board of Directors approved the Consolidated Non-Financial Statement for 2023. The Auditing Firm issued its report today, noting that no evidence has emerged to suggest that the aforementioned Statement has not been prepared, in all significant aspects, in accordance with the requirements of Articles 3 and 4 of the Decree and the GRI *Standards*, with reference to selection of the GRI *Standards*. The Board of Statutory Auditors oversaw the process of preparing the Statement, in line with existing regulatory provisions.

5. Indication of any submission of reports filed pursuant to Article 2408 of the Italian Civil Code, of any initiatives undertaken and the respective outcomes

During 2023 and up to the date of this Report, the Board of Statutory Auditors has not received any complaints pursuant to Article 2408 of the Italian Civil Code.

6. Indication of any submission of petitions, any initiatives undertaken and the respective outcomes

During 2023 and up to the date of this Report, no petitions have been received that needed to be reported to the Shareholders' Meeting.

7. Indication of any granting of further assignments to the Auditing Firm and to entities linked to the company instructed to perform the audit and respective costs

The Board of Statutory Auditors notes that, in an annex to the Financial Statements and the Consolidated Financial Statements as at 31 December 2023, the Directors have provided analytical information regarding the remuneration attributed to the Auditing Firm and the entities belonging to the Auditing Firm's network, as detailed in the table below:

FEES PAID TO THE INDEPENDENT AUDITING COMPANY: INFORMATION PURSUANT TO ART. 149-DUODECIES OF THE CONSOB ISSUER REGULATION

(€)				
Type of services	doValue S.p.A.		Subsidiaries	
	Service Provider	Fee for the year in Euros (excluding VAT and expenses)	Service Provider	Fee for the year in Euros (excluding VAT and expenses)
Audit	EY S.p.A.	241,000	EY Network	385,345
Audit related services	EY S.p.A.	9,000	EY Network	75,400
Other services	EY S.p.A.	33,000	EY Network	-
of which Non-Financial Statement		33,000		-
Total		283,000		460,745

On 9 November 2023, the Board of Directors, at the request of the Board of Statutory Auditors, approved the update of the Group's procedure concerning the rules governing the management of contractual relations with the Independent Auditors and its network as well as the allocation of *audit* and *non-audit* assignments ("NAS"), the previous version of which was approved by the same body on 31 January 2020, in application of the IESBA Code with particular reference to part 4A "Independence for Audit and Review Engagements".

In 2023, in compliance with the aforementioned provisions on legal auditing, the Board of Statutory Auditors approved in advance – after having checked the potential risks arising from independence and the safeguard measures adopted - the assignments other than the legal audit entrusted to EY and to the companies belonging to its network.

Pursuant to Article 19 of Italian Legislative Decree 39/2010, the Board of Statutory Auditors verified and monitored the independence of the EY Auditing Firm. On this point, the Board of Statutory Auditors notes that no critical aspect emerged and confirms that it has received the declaration of confirmation of its independence from the doValue Group.

On the basis of current legislation, defined by European Regulation no. 537/2014 (hereinafter "European Regulation") implemented in Italy by Legislative Decree no. 135/2016, the mandate to audit the accounts, assigned to Ernst & Young SpA by the Shareholders' Meeting of doValue SpA on 17 June 2016, will expire with the approval of the financial statements as at 31 December 2024 and will no longer be renewable. The new statutory audit appointment must be entrusted by the Shareholders' Meeting based on the reasoned proposal of the Board of Statutory Auditors, in its

capacity as Internal Control and Audit Committee pursuant to art. 19 paragraph 2, lett. a) of Italian Legislative Decree 39/2010, following a specific selection procedure according to the criteria and methods set forth in art. 16 of the same Regulation.

The Board of Statutory Auditors of doValue SpA deemed it appropriate to launch the selection procedure in 2023 for the allocation of the statutory audit for the period 2025-2033, in consideration of the prohibition envisaged by art. 5 of the aforementioned European Regulation which, in order to protect the independence of the auditor, requires that the latter refrain from providing certain types of services other than the statutory audit in the year immediately prior to the first year of audit.

Given the above, it was deemed appropriate to prescribe that the Shareholders' Meeting, called to approve the Financial Statements of doValue SpA as at 31 December 2023, be also called to resolve on the choice of the new independent auditor of doValue SpA, as well as approve the remuneration and the relative Adjustments criteria, on the basis of a reasoned proposal by the Board of Statutory Auditors.

In accordance with the provisions of the aforementioned art. 16 of the European Regulation, since it concerns the allocation of the statutory audit assignment for a Public Interest Entity ("PIE") as defined by art. 16 of Italian Legislative Decree 39/2010 ("Decree"), the proposal formulated by the Board of Statutory Auditors that will be submitted envisages two possible alternatives for the appointment and provides justifications for preferring one of the two. The selection procedure and the request for an offer were prepared in compliance with the regulations in force, and specifically the criteria set out in art. 16 of the European Regulation.

8. Indication of the existence of opinions issued in accordance with the Law during the year

In 2023, the Board of Statutory Auditors has issued its opinion - where mandatory - in compliance with provisions of Law, the Articles of Association and the Supervisory Regulations.

The opinions expressed and the comments made in compliance with supervisory provisions or requests include:

- comments on the planning of and reporting on the functions in charge in accordance with CONSOB Resolution 17297 dated 28 April 2010;
- comments on the planning and reporting of the activities of the Financial Reporting Officer;

9. Comments on respect of the principles of correct administration

The Board of Statutory Auditors has overseen respect of the principles of correct administration by attending meetings of the Board of Directors and the Board's Committees, meetings with the Heads of the Control Departments, the Chief Executive Officer, as well as the other supervisory activities cited above.

From the supervisory activity and the information obtained, the Board of Statutory Auditors can reasonably state that the activity of the aforementioned Committees and Bodies was based upon compliance with the principles of a fair administration, with an awareness of the risks and effects of the transactions carried out. As regards risks in particular, reference should be made to the *disclosure* provided by the Directors in the Management Report on Operations and in the Notes to the Financial Statements, in the paragraph "Information on risks and related hedging policies".

As regards the decision-making processes of the Board of Directors, the Board of Statutory Auditors has overseen their compliance with the Law and the Articles of Association and has verified that the management decisions were compliant with applicable regulations, adopted in the Company's interest, adequately supported by information, analysis and verification processes, also obtaining, where necessary, advice from committees and external professionals.

10. Comments on the adequacy of the organisational structure

The main organizational change at Group level occurred during 2023 was the establishment of the new Group IT Audit Organizational Unit reporting directly to the Group Internal Audit department within the Group's Control Office.

The Board of Statutory Auditors acknowledged the positive opinion on the suitability of the organisational structure of the Company and the Group expressed by the Risk, Transactions with Related Parties and Sustainability Committee on 19 March 2024 and by the Board of Directors on 20 March 2024.

On the basis of the auditing activities carried out, the Board of Statutory Auditors considers that there are no critical issues of particular relevance to be raised in relation to the Company's organisational structure. No particular deficiencies or situations to be reported here have been ascertained in relation to the actual functioning of the Bodies, company functions, systems and procedures.

The Board of Statutory Auditors has verified the correct application of the criteria and assessment procedures adopted by the Board of Directors to assess the independence of its members. The Board also verified the existence of the independence requirements in accordance with the provisions of Article 148, paragraph 3 of the Consolidated Law on Finance and Article 2 of the Corporate Governance Code.

In compliance with the "Rules of Conduct of the Board of Statutory Auditors of listed companies" issued by the Italian Board of Chartered Accountants, in 2023 the Board of Statutory Auditors carried out a self-assessment process by drawing up, completing and discussing a questionnaire concerning the analysis of the subjective profiles of its members (quantitative and qualitative composition) as well as the functioning of the body as a whole (meetings, activities carried out by the Chairman, information flows, control and supervisory role and tasks). At the end of the process, the Board of Statutory Auditors drew up the Self-Assessment Report, which was submitted to the Board of Directors at its meeting of 12 January 2024, as also highlighted in the Corporate Governance Report, from which no critical issues emerged either with regard to individual members or with regard to the composition and functioning of the Board.

With regard to the Board of Directors' Self-Assessment Process, the Board acknowledged the results of the Self-Assessment process conducted in 2023 in compliance with Recommendation 22 of the Corporate Governance Code, as well as the preparation of the "Guidelines on the optimal qualitative and quantitative breakdown of the new Board of Directors" in view of the renewal of the Board of Directors for the three-year period 2024-2026, which also took into account the results of the self-assessment.

The Board of Statutory Auditors examined the Remuneration Report approved by the Board of Directors at its meeting of 20 March 2024 as proposed by the Remuneration Committee and verified its compliance with legal and regulatory requirements as well as the clarity and completeness of information with regard to the remuneration policy adopted by the Company.

11. Comments on the adequacy of the internal control system, particularly on the activity performed by those in charge of the internal control, highlighting any corrective actions undertaken and/or those still to be taken

As indicated in the Corporate Governance and Ownership Report, the Internal Controls System of the doValue Group is based upon control bodies and functions, information flows and methods of involvement between the entities involved and Group governance mechanisms.

The current organisational structure of the Group Functions responsible for ensuring the cross-departmental coordination of local control activities is designed as follows:

- The Group Control Office, reports directly to the Parent Company's Board of Directors. It is responsible for coordinating the control activities at Group level within its remit, aimed at ensuring a constant and independent assessment of the overall system of internal controls and risk management, providing regular reports to the Corporate Bodies, as well as ensuring that the Group's Internal Audit and Anti-Money Laundering Functions adopt uniform methodological approaches and operating models in compliance with the requirements of independence and autonomy set out in the local regulations;
- The Group Internal Audit, which reports hierarchically to the Chief Group Control Officer, is responsible for defining a common methodology for the performance of internal audit activities, common tools for performing controls, a common reporting system for the Bodies and the Management of the various Group components and ensuring that the various functions adopt local Internal Audits which then report back to them in functional terms;
- Group AML, reporting hierarchically to the Chief Group Control Officer. It issues Group guidelines and policies on the prevention of money laundering risk and for developing a common methodological approach to manage the same, as well as a common reporting for the Bodies and management of the different Group components, supervising its adoption by the various Anti-Money Laundering Departments established at the local level that functionally report to it;
- The Compliance & Global DPO, that reports hierarchically to the Group General Counsel, is responsible for developing a uniform compliance framework at Group level with the aim of ensuring compliance with regulations within the relative scope (e.g., Market Abuse, Related Parties, Consob Regulations, Anti-corruption, Privacy) by defining common guidelines and policies, providing regulatory monitoring and implementing the necessary measures to ensure compliance with applicable regulations, as well as the introduction of specific intra-group information flows; Within the *data protection* environment, the Global DPO defines the Group's organisational model and a common DPO control framework and its main function is to coordinate the data protection activities, the receipt of flows from the local DPOs and, consequently, the filing of reports to the doValue Board of Directors.
- The Group Administration & Internal Control for Financial Report, which hierarchically reports to the Group Finance Function, within which the Internal Control for Financial Report structure is responsible for supporting the Financial Reporting Officer pursuant to Italian Law 262/2005 in fulfilling its responsibilities with reference to the issuer and to all the Group companies included in the consolidation.
- The Group Enterprise Risk Management is a newly established function that hierarchically reports to the General Manager Corporate Functions. It is tasked with coordinating the

management of strategic, operational, reputation, legal and financial risks to which the Group is exposed by defining the relative guidelines and identifying the criteria to be used to monitor these risks, using suitable methodological approaches, procedures and tools and filing appropriate reports with the Corporate Bodies.

In this context, in line with the strategic evolution of the Group's application, infrastructure and IT security management operating model, which is undergoing a progressive centralization process by setting up dedicated Group IT functions. In the second half of 2023 the Company expanded the mission of the Group's Internal Audit Function which is now responsible for implementing the centralized execution of audit activities in the Information Technology area over the entire perimeter of the doValue Group. The new unit operates in close coordination with the local Internal Audit Functions in identifying the priorities for covering IT risks and in carrying out all those control activities that require specialist IT skills (participation in local audit assignments, support in monitoring IT findings, etc.).

That being said, the Internal Control System is structured as follows:

- the primary responsibility for completeness, adequacy, functionality and reliability rests with the governing bodies, and in particular with the Board of Directors, with the CEO, who also holds the role of Director in charge of supervising the functionality of the internal control and risk management system, pursuant to the Corporate Governance Code, and to the Board of Statutory Auditors;
- the third level controls are entrusted to the Internal Audit Functions which, as part of the renewed Internal Controls and Risk Management System, have been set up at the Parent Company and the main subsidiaries (i.e. doValue Spain, doValue Greece and doValue Cyprus). They are also responsible for the direct management of internal audit activities, aimed at periodically assessing the completeness, functionality, adequacy and reliability in terms of efficiency and effectiveness of the Internal Control System in relation to the nature and intensity of the risks posed by business needs, without prejudice to the powers and responsibilities of the respective Corporate Bodies.
- the purpose of the second level controls is to ensure the correct implementation of the risk management process, to verify compliance with the limits assigned to the various operating functions, to control the consistency of the operations of the individual operational areas with the risk-return objectives assigned to them and guarantee that company operations comply with applicable rules, including corporate governance regulations. In the new organisational model, the structure of the Group Functions responsible for overseeing said areas is directly influenced by the structure of the business processes implemented in the different geographical contexts and by the nature and relevance of the associated risks, as well as by the presence of specific regulatory requirements on risk governance.
- First-level controls are aimed at ensuring the proper performance of operations and are carried out by the company functions responsible for business/operating activities, which, within the scope of their daily operations, are called upon to identify, measure, monitor and mitigate risks deriving from day-to-day company business, in compliance with the risk management process and the applicable internal procedures.

The adoption of a system of internal controls and risk management is also consistent with the provisions of the Corporate Governance Code to which the Parent Company has decided to adhere, in the knowledge that one of the crucial aspects of the governance of a listed company is precisely the system of internal controls.

On the basis of the information acquired and the examination of the Business Plans approved by the Board of Directors, the Board of Statutory Auditors acknowledges the existence of an integrated architecture of the internal audit system in line with the Group's international connotation, which includes all *legal entities*.

The Board of Statutory Auditors also acknowledges that the 2024 Audit Plan, approved by the Board of Directors on 20 March 2024, reflects the results of a *risk assessment* activity carried out on the entire Audit Universe of the doValue Group, developed on the basis of a mapping of the various process components and which saw the close involvement of the Parent Company's Internal Audit function and those set up at the foreign subsidiaries and the implementation of a common risk assessment methodology.

Similarly, even the 2024 Activity Plans in the areas of anti-money laundering and DPO, also approved on 20 March 2024, have taken into account, in an organic manner, of all the activities foreseen by the respective control functions as they apply to the entire group, according to a priority approach to mitigation of identified risks.

During the year, the Board discussed and shared with the Internal Audit Function the amendments to the 2023 Annual Plan, approved by the Board of Directors on 21 December 2023, linked to the need to take into account activities not envisaged for different reasons yet required of the Function as a results of the Bank of Italy inspection on the subsidiary doNext Spa.

In the period of reference, the Board of Statutory Auditors has overseen the system of internal controls by having regular meetings with the Control functions and by analysing the information flows provided by said functions and it has taken steps to request further investigations or to stimulate measures, with the involvement of the company structures affected by the actions of the aforementioned functions. The meetings also included the examination of the reports produced by the Internal Audit and Anti-Money Laundering Functions containing negative assessments, respectively, of the internal control system or of the level of compliance with the regulatory requirements taken into consideration. This was done in order to assess the adequacy, in terms of both effectiveness and timeliness, of the corrective plans prepared by Management. Lastly, the same level of attention was dedicated to the quarterly reports detailing the results of the monitoring activities on the status of the measures introduced to remedy the reported findings.

As highlighted in the introduction, the Board of Statutory Auditors has also been assigned the functions of Supervisory Board pursuant to Legislative Decree 231/2001.

During the year, the Board of Statutory Auditors was constantly updated on the progress of the project coordinated by the Compliance Function aimed at keeping the 231 framework updated, improving the Anti-Corruption framework and strengthening its level of mutual integration. The project, launched in December 2022 and completed in the second half of 2023, included, among other activities, the updating of the Group's Code of Ethics, the 231 Models of doValue, doNext and doData in relation to regulatory and corporate developments, integration of the doValue 231 risk assessment framework with the anti-corruption framework as well as the evolution of the control system and implementation of Anti-Corruption Key Risk Indicators, based on synergistic and rationalization logics.

Finally, it should be noted that in 2022 the Parent Company obtained Anti-corruption certification in line with the UNI ISO 37001:2016 standards, which it is committed to retaining and keep updated. In October 2023, the ISO 37001 Certification was actually confirmed by the outcome of the annual maintenance audit, during which the certifying body did not detect any form of non-compliance.

The Board of Statutory Auditors also acknowledged the continuation, over the course of 2023, of the process of adapting and strengthening the Group's *data protection* management framework, mainly achieved by standardising the methods used to measure and represent the risk to privacy from processing, as well as the consolidation of the group's range of procedures thanks to the introduction, in 2023, of a common management and monitoring framework of all actions performed within the context of the GDPR dispositions (a process that mirrored the one already in place in Italy to monitor the actions of the control functions). At a Country Italy level the DPO ensured that the monitoring activities were in line with the plans laid out and approved by the Corporate Bodies, which included monitoring the measures implemented to mitigate risks. The monitoring report of the GDPR action plan was shared with the Board on a regular basis, and highlighted some possible areas of improvement mainly related to the IT Security area. In this context, the Board acknowledged the amendments to the 2023 DPO Plan approved by the BoD in December 2023, which led to some control activities being pushed back to 2024 due to the reduced capacity of the Function. Pending a strengthening of the structure, the Company has activated external consulting to support the DPO to ensure the progress of the DPO's activities in the first half of 2024.

The Board of Statutory Auditors examined the Head of Internal Audit's Report for the year 2023, who, on the basis of the assessment of the results of the audit assignments and the additional monitoring activities on existing findings performed during the year, viewed the internal control system as generally adequate in mitigating the risks to which the Group is exposed by virtue of its business model and geographical location, although certain areas where improvements could be achieved were also highlighted.

On the whole, from the analyses carried out and the information acquired as part of the supervisory activity, the Board of Statutory Auditors acknowledges that in the definition and application of the internal control and risk management system, no elements have emerged for not deeming this system to be generally adequate, effective and efficiently operational.

12. Comments on the adequacy of the administration-accounting system and its reliability in correctly representing the facts of management

The Board of Statutory Auditors has overseen the adequacy of the administrative-accounting system and its reliability in providing a correct representation of the management facts, as well as the performance of its duties related to the process of financial reporting, by: (i) regular meetings with the Chief Executive Officer, the CFO, the Financial Reporting Officer, Management of the Administration, Finance & Control structure; (ii) acquiring information from *management*; (iii) regular meetings to exchange information with the Auditing Firm; (iv) analysis of the results of the activities performed by the Auditing Firm.

It should be noted that although the Group has adopted the half-year as the reference interim period for the purposes of applying the IAS 34 and the definition of the interim financial report specified therein, the quarterly condensed consolidated financial statements as at 30 September 2023 has been prepared in compliance with that standard, so that an interim report was available that could, if necessary, be included in the set of documents to be prepared within the context of potential refinancing operations. This Consolidated Interim Report on Operations as at 30 September 2023 also took into account the information items that emerged after the approval on 9 November 2023 of the previous Consolidated Interim Report on Operations up to the date of its approval, 12 January 2024, which resulted in a negative non-monetary impact on the consolidated

result of Euro 36.7 million, attributable to the value adjustments of some accounting items relating to intangible assets, partially offset by the positive impact of a settlement agreement reached with a customer.

In accordance with IFRS 3 "Business Combinations", in the financial statements the Company has provided detailed information on the *business combinations*. In particular, with regard to external business combinations, on 29 December 2023 the subsidiary doValue Spain signed the full acquisition of Team 4 Collection & Consulting SLU (hereinafter also "Team4"), a subsidiary of the Arvato Group (Bertelsmann), in order to expand its activities in the management of small unsecured loans. At the time of allocation of the acquisition price, no fair value adjustments were identified for the identified assets and liabilities; therefore, the bargain, albeit provisionally, stood at € 767 thousand.

With regard to *intangible assets* recorded in the financial statements, mainly attributable to intangible assets and to *goodwill* deriving from the acquisitions of doValue Spain Servicing and doValue Greece, the Group conducted the *impairment test*. This test was also arranged for the intangible asset resulting from the payment by doValue Greece of a consideration for the acquisition of the right to appointment as *Servicer* for the "Frontier" contract. The impairment test took into account the forward-looking information determined in accordance with the Group's new 2024-2026 industrial plan approved by the Board of Directors on 20 March 2023, which includes the most recent scenario assumptions received from the subsidiaries that consider the performance of the main market and macroeconomic variables and provide an estimate of their effects from a forward-looking perspective.

At the Consolidated Financial Statement level, the comparison as at 31 December 2023 between the recoverable value and the residual net book value of the various intangible assets revealed some evidence of impairment relating to the acquisition of doValue Spain, for a total of € 13.4 million, attributable to the Santander servicing contract. On the other hand, with regard to the doValue Greece acquisition and the "Frontier" contract, no evidence of impairment emerged.

With regard to goodwill, it should be noted that when preparing the "restated" Consolidated Interim report on operations of the doValue Group as at 30 September 2023, prepared in compliance with IAS 34 and approved on 12 January 2024, the goodwill attributable to the Spain - Portugal CGU was written down by € 12.5 million as a result of the impairment test carried out on the balances as at 30 September 2023 based on the flows of the preliminary 2024 -2026 business plan for the Iberia Region approved by the Board of Directors on 12 January 2024. The aforementioned goodwill was subjected to a new impairment test on 31 December 2023, revealing no further need for reduction in value.

In addition, the comparison between the recoverable value and the net book value of the Greece - Cyprus CGU as at 31 December 2023 showed an abundant capacity of the recoverable value and did not entail the emergence of any impairment.

We also note write-downs of €12.6 million derive from the cancellation non-recoverable DTA for tax losses carried forward and temporary differences of the Iberian region and €5.2 million from the cancellation of DTA of the Parent Company doValue.

At the separate financial statement level, the impairment test conducted on the book value at 31 December 2023 of the investments of the subsidiaries doValue Spain and doValue Greece and the related sensitivity analysis did not reveal any losses in value, even in the event of stress.

The main companies of the Group are subject to audit for the purposes of the consolidated financial statements (with a different scope depending on the specific nature of each company) by the Auditing Firms belonging to the EY network, with the exception of doNext S.p.A., which in 2019 appointed BDO Italia S.p.A. to audit the financial statements for each of the nine years ending from 31 December 2019 to 31 December 2027, as the previous legal auditing appointment entrusted to EY had expired.

With reference to the obligations pursuant to Law no. 262/2005, based on the defined *framework*, the doValue Group has foreseen that the Financial Reporting Officer be supported by a *team* of resources dedicated to carrying out the activities involved, in order to cover all the Group's entities. It shall be comprised of the following:

- head of Activities at the Subsidiary for the Financial Reporting Officer (RACDP), if appointed, normally identified, if available, in the Chief Financial Officer (CFO) of the represented entity, who performs the coordination and certification activities required of the Financial Reporting Officer at local level for the represented entity and any other specifically selected direct and indirect subsidiaries;
- management 262 (Italy), which carries out the controls required for 262 activities in Italy and for consolidation;
- management 262 (local), if appointed, who carries out the controls required for the 262 activities, based on their competence scope.

The Board of Statutory Auditors has acknowledged the certifications issued by the Chief Executive Officer and the Financial Reporting Officer as regards the financial statements and the consolidated financial statements at 31 December 2023 in compliance with Article 81-ter of the Issuers' Regulation, approved by CONSOB with Resolution 11971/1999 as amended. The Board of Statutory Auditors also reviewed the annual report of the Financial Reporting Officer on the certification campaign pursuant to Law 262/05 of the consolidated and individual financial statements as of 31 December 2023, approved by the Board of Directors on 20 March 2024, from which no critical issues emerged that might threaten the reliability of the accounting and financial information.

At the end of the 262 audit campaign, a corrective action plan was defined whose regular implementation will be monitored by the Board of Statutory Auditors.

13. Comments on the adequacy of the provisions imparted to the Subsidiary Companies in accordance with Article 114 of the Consolidated Law on Finance

The Board of Statutory Auditors has monitored the adequacy of the instructions given by the Company to its subsidiaries pursuant to Article 114, paragraph 2 of the Consolidated Law on Finance, ensuring, on the basis of the information provided by the Company, that they were able to provide the information required to comply with the disclosure obligations laid down by law, without exception.

14. Comments on significant aspects emerged during meetings held with the auditors pursuant to Article 150, paragraph 3 of the Consolidated Law on Finance

In compliance with the provisions of Article 19 of Italian Legislative Decree 39/2010, the Board of Statutory Auditors, in its capacity as Internal Control and Accounts Audit Committee, has overseen

the process of financial reporting, the effectiveness of the internal control system for quality, internal auditing and risk management, the annual and consolidated statutory accounts audit and the independence of the Auditing Firm.

As already stated in this Report, the Board has met the Auditing Firm on a regular basis, setting in motion a profitable exchange of information in compliance with the provisions of Article 150 of the Consolidated Law on Finance. During the meeting held in December, the Board of Statutory Auditors discussed with EY the audit plan for the Annual Report and Consolidated Financial Statements 2023, the methodological framework, the audit approach used for the various significant areas, and the application of the accounting standards. The Board informed the Auditing Firm of its activity and reported on the significant facts of which it was aware.

Overall, from the information exchange with the Auditing Firm, no anomalies, critical issues or omissions emerged.

15. The Company's adherence to the Corporate Governance Code

The Company is listed on the STAR segment of Euronext Milan (EXM).

Since its listing, the Company has adhered to the Code of Conduct and, since February 2021, to the Corporate Governance Code, promoted by Borsa Italiana SpA, ABI, Ania, Assogestioni, Assonime and the Italian Manufacturers' Federation, which has replaced the Code of Conduct for listed companies; the Board of Statutory Auditors supervised the methods of effective application of the related corporate governance rules.

The Board of Statutory Auditors has taken note of the information provided in the Annual Report on Corporate Governance and Ownership Structures, prepared in accordance with the Regulation instructions of Organised Markets managed by Borsa Italiana and the Consolidated Law on Finance, and approved by the Board of Directors on 20 March 2024.

Lastly, the Board of Directors, at the meeting of 12 January 2024, assessed the recommendations received from the *Corporate Governance* Committee with its communication of 14 December 2023, and reached the conclusion that doValue is *compliant* with the hopes and expectations of the Committee; with regard to the recommendations voice in the corporate governance report, aimed at providing detailed information in the event of derogation from the timeliness of the pre-board report and on the assessment of the adequacy of the publication of the Guidance, the Company has implemented a series of initiatives to achieve a substantial alignment process.

In this regard, doValue also continued to integrate its sustainability strategies by strengthening ESG Governance, Diversity & Inclusion, Privacy and Cybersecurity programmes and its caring attitude towards both people and the environment. The issue of sustainability is one of the pillars of the new Group Business Plan to which doValue will continue to be committed in line with the best international standards.

16. Conclusive assessment in relation to the supervisory activity performed as well as on any omission, censurable facts or irregularities identified

Dear Shareholders,

In reference to the contents of this Report, following the activity performed and the information obtained, no censurable facts, irregularities or omissions have emerged that must be mentioned in this Report. Based upon the information acquired through its supervisory activity, the Board of

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Statutory Auditors has not become aware of transactions implemented that were not based upon respect of the principles of correct administration or resolved or implemented in a way that was not compliant with the Law or the Articles of Association, in contrast with the resolutions made by the Shareholders' Meeting, manifestly imprudent or risky, or likely to compromise the integrity of the company assets.

Through its supervisory activity, the Board of Statutory Auditors has ascertained respect of the rules of Law on the preparation and structure of the financial statements and consolidated financial statements of the Group and the respective Directors' Reports, including the consolidated declaration of a non-financial nature. Both the financial statements and the consolidated financial statements were prepared with a view to business continuity and without making recourse to derogations in applying the accounting standards and assessment criteria.

The Audit Firm, in its reports issued pursuant to Article 14 of Italian Legislative Decree no. 39 of 27 January 2010, has expressed a positive opinion on the separate financial statements and consolidated financial statement of the Group, without findings, objections and/or references to disclosures, both on the financial statements and on the consolidated financial statements and, insofar as it is responsible, has expressed, in relation to the Report on Operations, a positive opinion on the consistency of the same with the financial statements and compliance with the rules of Law.

The certifications issued by the Financial Reporting Officer and the CEO, as required by Article 154-bis of the Consolidated Law on Finance, are attached to the separate and consolidated financial statements, without any remarks or identified problems and/or anomalies.

Taking all of the above into account, based on the activities carried out during the year, the Board of Statutory Auditors does not believe there are any grounds for exercising its right to submit proposals to the Shareholders' Meeting pursuant to Article 153, paragraph 2, of Italian Legislative Decree no. 58/1998 regarding the approval of the Financial Statements as at 31 December 2023 and matters within its competence, not finding any reasons to prevent the approval of the Financial Statements as at 31 December 2023, including the proposal for the coverage of losses for the year.

Rome, 28 March 2024

The Board of Statutory Auditors

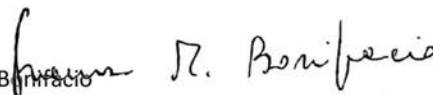
Chairman

Mr Nicola Lorito

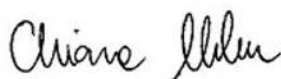


Statutory Auditors

Mr Francesco Mariano Bonifacio



Ms Chiara Molon



doValue