

doValue

REPORTS AND FINANCIAL STATEMENTS OF THE COMPANY

2022



Leading the evolution of the servicing industry

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

CEO

ANDREA MANGONI

Directors

FRANCESCO COLASANTI ⁽²⁾

EMANUELA DA RIN

GIOVANNI BATTISTA DAGNINO ⁽⁴⁾

NUNZIO GUGLIELMINO ⁽¹⁾

ROBERTA NERI ⁽⁴⁾

GIUSEPPE RANIERI

MARELLA IDI MARIA VILLA ⁽²⁾

CRISTINA FINOCCHI MAHNE ⁽³⁾

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) Appointments and Remuneration Committee Chairman

(2) Appointments and Remuneration Committee Member

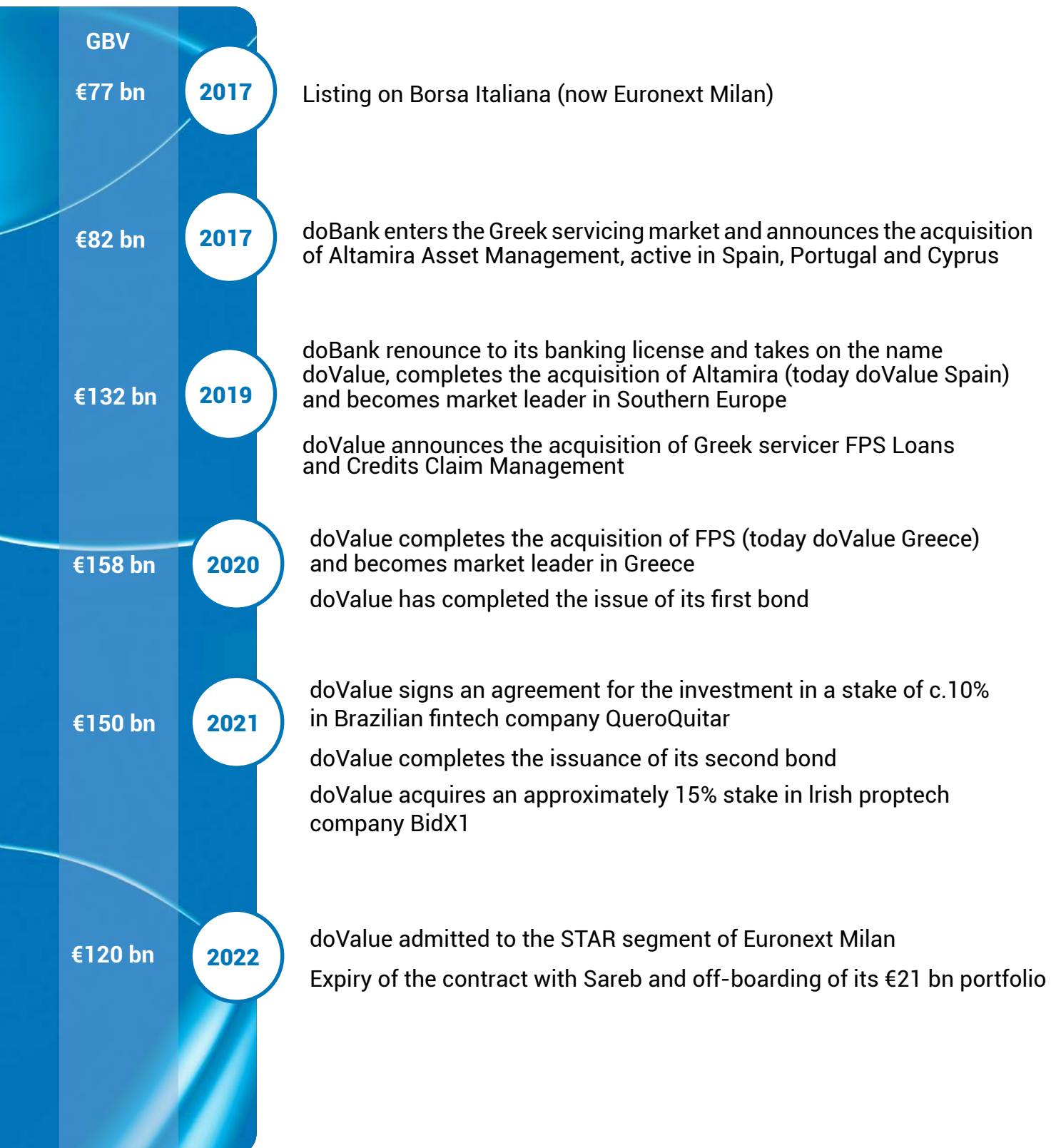
(3) Chairman of the Risks, Related Party Transactions and Sustainability Committee

(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.

0.1 The Company's business

€120_{bn}
IN ASSET
UNDER MANAGEMENT

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 is the Southern Europe's leading servicer, with about €120 billion (Gross Book Value) in assets under management and a track record spanning more than 20 years.

Its business model is aimed at all Banks and Investors in the market, and asset light: i.e., it does not require direct investments in loan portfolios.

doValue's services are remunerated under long-term contracts based on a fee structure that includes fixed fees based on the volume of assets under management and variable fees linked to the performance of servicing activities, such as collections from NPL receivables or the sale of customers' real estate assets or the number of real estate and business information services 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 of medium-large size and a high proportion of real estate collateral;
- **Real Estate Servicing:** the management of real estate assets on behalf of third parties, including:
 - "Real estate collateral management": activities to develop or sell, either directly or through intermediaries, real estate assets owned by customers originally used to secure bank loans;
 - "Real estate development": analysis, implementation and marketing of real estate development projects involving assets owned by customers;
 - "Property management": 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 and Performing Loans Servicing:** the management of performing loans or loans past due by less than 90 days, not yet classified as non-performing, on behalf of third parties;
- **Master Legal:** management of legal proceedings at all levels in relation to loans, mainly non-performing, managed by doValue on behalf of third parties;
- **Ancillary services:** the collection, processing and provision of commercial (through the subsidiary doData), real estate and legal information on debtors as well as the provision of other services strictly linked to loan recovery activities, including:
 - "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;
 - "Master Servicing and Structuring": 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.

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 since 2008 before any other operator in this sector in Italy. doNext, as a Master Servicer, received an MS2+ rating by 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 was confirmed by both agencies confirmed for doValue's senior bonds of €265.0 million and €300.0 million, with maturity in 2025 and 2026, respectively. In July 2022, Fitch confirmed the **BB** rating and improved the **outlook** to "**Positive**".

0.2 Macroeconomic environment

The various economic and monetary stimulus measures put in place by the main world governments and major central banks, in combination with the discontinuity and imbalances created by the lockdown periods of 2020 and 2021, have led to an increase in inflation in the advanced economies as early as the end of 2021 and continued throughout 2022. Rising inflation changed the stance of major central banks, particularly in the United States and the European Union, and the rise in interest rates implemented by these players led to higher bond yields during 2022. This element, together with the geopolitical tensions linked to the situation in Ukraine, drove to an increase in volatility in the stock and bond markets during 2022.

Despite the strong discontinuities that characterised 2022 from a macro perspective (rising inflation), from a financial market perspective (rising interest rates) and from a geopolitical perspective (Russia's invasion of Ukraine, still ongoing), 2022 was characterised by a high degree of resilience on the part of the United States and European economies, where fears of a recession at the beginning of 2022 were gradually replaced by a more moderate scenario of a simple slowdown in economic activity, thanks in part to very high employment levels and the soundness of the financial system as a whole.

In recent years, European banks have undertaken an impressive deleveraging process, selling and securitising between 2014 and 2022 around €585 billion of non-performing exposures and achieving NPE ratios that are currently at an all-time low.

That said, the level of Stage 2 loans in Southern Europe has increased significantly compared to the pre-COVID period and currently stands at around 9.4% (compared to a weighted average NPE ratio for banks in Italy, Spain, Greece, Portugal and Cyprus in the range of 2.8%), with Italy, Greece and Cyprus having even higher levels of Stage 2 loans (13.1%, 12.2% and 14.1%¹ respectively).

¹ EBA Risk Dashboard Q3 2022

The pipeline of potential servicing mandates across Southern Europe is currently estimated by doValue to be around €52 billion (including an estimated €18 billion of secondary market transactions) and is likely to grow further in the coming quarters, particularly as the currently difficult macroeconomic conditions and stress factors (inflation and interest rates above all) are likely to lead to an increase in NPE production. Data published by third-party institutions already show that company default rates in Italy increased in the first part of 2022, especially in the corporate sector, and are expected to increase further in 2023 and 2024.

More generally, doValue's activity is supported by external and favourable medium- to long-term factors, including the implementation by banks of strict loan recognition regulations (IFRS 9, Calendar Provisioning, Basel IV) aimed at promoting a proactive approach in managing their financial statements, as well as the consolidated trend for banks to outsource servicing activities.



0.3 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, 2022.

(€/000)

Key data of the income statement	12/31/2022	12/31/2021	Change €	Change %
Gross revenues	167,705	168,746	(1,041)	(1)%
Net revenues	149,444	150,465	(1,021)	(1)%
Operating expenses	(106,805)	(114,570)	7,765	(7)%
EBITDA	42,639	35,895	6,744	19%
EBITDA Margin	25%	21%	4%	20%
Non-recurring items included in EBITDA ¹	(2,563)	(909)	(1,654)	n.s.
EBITDA excluding non-recurring items	45,202	36,804	8,398	23%
EBITDA Margin excluding non-recurring items	27%	22%	5%	24%
EBT	24,660	620	24,040	n.s.
EBT Margin	15%	0%	14%	n.s.
Profit (loss) for the period	19,471	(535)	20,006	n.s.
Profit (loss) for the period excluding non-recurring items	24,436	12,308	12,128	99%

¹ Non-recurring items in Operating expenses mainly include the costs connected with consultancy related to M&A projects.

(€/000)

Key data of the balance sheet	12/31/2022	12/31/2021	Change €	Change %
Cash and liquid securities	114,358	124,861	(10,503)	(8)%
Equity investments	374,429	351,879	22,550	6%
Property, plant and equipment	17,969	7,549	10,420	138%
Intangible assets	17,907	13,372	4,535	34%
Financial assets	198,475	227,295	(28,820)	(13)%
Trade receivables	84,066	73,282	10,784	15%
Tax assets	65,661	69,366	(3,705)	(5)%
Financial liabilities	626,768	589,042	37,726	6%
Trade payables	20,459	23,627	(3,168)	(13)%
Tax Liabilities	2,266	2,699	(433)	(16)%
Other liabilities	19,712	31,217	(11,505)	(37)%
Provisions for risks and charges	13,816	13,917	(101)	(1)%
Shareholders' Equity	190,190	205,921	(15,731)	(8)%

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	12/31/2022	12/31/2021
Gross Book Value (EoP) - Italy	70,329,055	74,567,673
Collections of the period - Italy	1,634,745	1,662,096
LTM Collections/GBV EoP - Italy - Stock	2.4%	2.4%
Staff FTE/Total FTE	31.3%	28.1%
EBITDA	42,639	35,895
Non-recurring items (NRIs) included in EBITDA	(2,563)	(909)
EBITDA excluding non-recurring items	45,202	36,804
EBITDA Margin	25.4%	21.3%
EBITDA Margin excluding non-recurring items	27.0%	21.8%
Profit (loss) for the period	19,471	(535)
Non-recurring items included in Profit (loss) for the period	(4,965)	(12,843)
Profit (loss) for the period excluding non-recurring items	24,436	12,308
Capex	8,233	8,539
EBITDA - Capex	34,406	27,356
Net Working Capital	63,607	49,655
Net Financial Position	(305,698)	(264,026)

KEYS

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 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.

0.4 Results as at December 31, 2022

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 condensed income statement reported below and the income statement provided in the financial statements section.



PERFORMANCE

(€/000)

Income Statement	12/31/2022	12/31/2021	Change €	Change %
Servicing Revenues:	138,015	140,720	(2,705)	(2)%
o/w: NPE revenues	138,015	140,720	(2,705)	(2)%
Co-investment revenues	1,507	8,846	(7,339)	(83)%
Ancillary and other revenues	28,183	19,180	9,003	47%
Gross revenues	167,705	168,746	(1,041)	(1)%
NPE Outsourcing fees	(7,629)	(9,949)	2,320	(23)%
Ancillary Outsourcing fees	(10,632)	(8,332)	(2,300)	28%
Net revenues	149,444	150,465	(1,021)	(1)%
Staff expenses	(83,606)	(87,012)	3,406	(4)%
Administrative expenses	(23,199)	(27,558)	4,359	(16)%
<i>Total "o.w. IT"</i>	(9,733)	(11,467)	1,734	(15)%
<i>Total "o.w. Real Estate"</i>	(1,634)	(2,027)	393	(19)%
<i>Total "o.w. SG&A"</i>	(11,832)	(14,064)	2,232	(16)%
Operating expenses	(106,805)	(114,570)	7,765	(7)%
EBITDA	42,639	35,895	6,744	19%
EBITDA Margin	25%	21%	4%	20%
Non-recurring items included in EBITDA ¹	(2,563)	(909)	(1,654)	n.s.
EBITDA excluding non-recurring items	45,202	36,804	8,398	23%
EBITDA margin excluding non-recurring items	27%	22%	5%	24%
Net write-downs on property, plant, equipment and intangibles	(11,777)	(11,311)	(466)	4%
Net provisions for risks and charges	(4,925)	(11,977)	7,052	(59)%
Net write-downs of loans	484	562	(78)	(14)%
Profit (loss) from equity investments	-	83	(83)	(100)%
EBIT	26,421	13,252	13,169	99%
Net income (loss) on financial assets and liabilities measured at fair value	(915)	1,335	(2,250)	n.s.
Financial interest and commissions	(846)	(13,967)	13,121	(94)%
EBT	24,660	620	24,040	n.s.
Non-recurring items included in EBT ²	(6,722)	(14,604)	7,882	(54)%
EBT excluding non-recurring items	31,382	15,224	16,158	106%
Income tax for the period	(5,189)	(1,155)	(4,034)	n.s.
Profit (Loss) for the period	19,471	(535)	20,006	n.s.
Non-recurring items included in Profit (loss) for the period	(4,965)	(12,843)	7,878	(61)%
Profit (loss) for the period excluding non-recurring items	24,436	12,308	12,128	99%

¹ Non-recurring items in Operating expenses include the costs of consultancies related to business development projects.

² Non-recurring items included below EBITDA refer mainly to (i) termination incentive plans, (ii) charges for an ongoing arbitration, with (iii) relative income taxes.

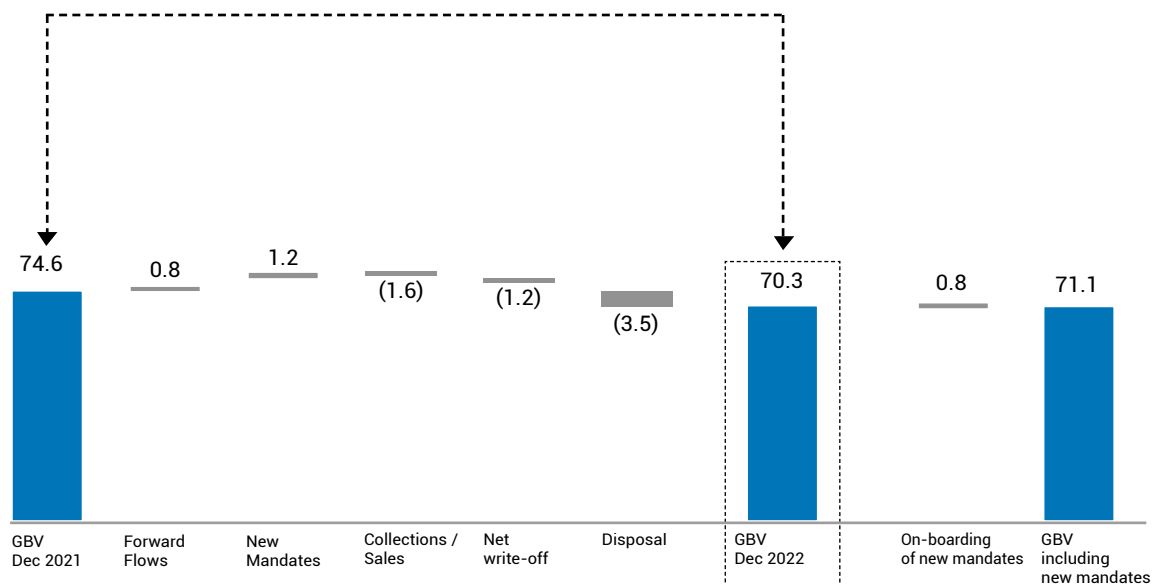
Portfolio under management

At the end of 2022, the Portfolio under Management (GBV) of doValue S.p.A. amounted to €70.3 billion, down by approximately 6% compared to the figure at the end of 2021 (€74.6 billion).

The main positive changes in 2022 are shown below:

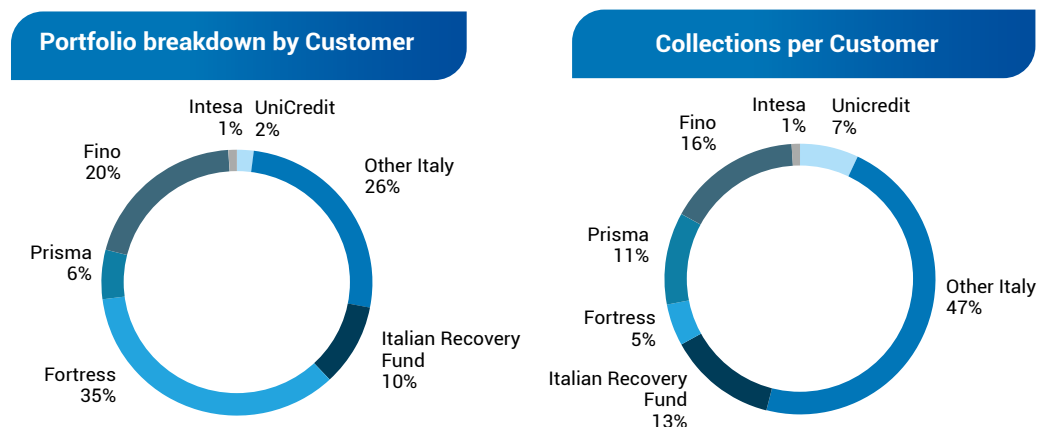
- new mandates from existing clients for €0.8 billion, from flow contracts with UniCredit;
- new mandates for a total of €1.2 billion referring to two transactions carried out with the GACS scheme.

A reduction of GBV was recorded, during the period, among other elements, due to transfers by a customer amounting to €3.5 billion.



The Portfolio under Management is to be considered as a further increase, in the next months, compared to what has already been described due to the effect of new mandates for €0.8 billion relating to portfolios managed by leading counterparties.

The following charts show the composition of the portfolio under management and the collections for the period in terms of diversification of the main customers:



The collections of doValue S.p.A. in 2022 amounted to €1.6 billion (€1.7 billion in 2021), substantially in line with what was recorded in the previous year.

Performance

2022 was a year spent in an international context, dominated by the aftermath of the international political crisis that erupted in February with the outbreak of hostilities on Ukrainian soil. It should also be noted that the European macroeconomic scenario has gradually deteriorated due to the ongoing inflationary spiral that has slowed down the general economic recovery. The reference sector has clearly been affected by the environment although it has not yet seen the effects of the post-pandemic and recent crisis in terms of the generation of new NPLs. However, according to recent studies³, NPLs in the domestic sector are expected to increase during 2023. After about 10 years, non-performing loans start to rise again; although still not to the levels of 2012 (deterioration rate of 7.5%).

The reversal of the trend after a ten-year cycle is still significant. From the current default rate of 2.3%, it is expected to rise to 3.8% in 2023, the same rate as in the distant 2017, but in a context in which the credit market is much more prepared than it was then and the financial statements of Italian banks are currently more solid.

In this complex framework, doValue recorded gross revenues of €167.7 million in 2022, a slight decrease of 1% compared to €168.7 million in 2021.

Revenues from Servicing of NPE assets, equal to €138.0 million, show a decrease of 2% compared to 2021.

Regarding NPLs, it should be noted that collections in 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 2.4%, in line with result recorded in 2021. The ratio assumes the same value, equal to 2.4% also excluding the new mandates under management, ("LTM Stock/GBV Stock (EoP) Collections").

Co-investment revenues include the €1.5 million contribution (€8.8 million in 2021) from revenues on the ABS securities for the securitisations Romeo SPV, Mercuzio Securitisation and Mexico in which doValue holds 5%. It should be noted that capital gains to be realised related to the Relais securitisation (€4.0 million) whose mezzanine and junior notes were purchased in the last days of 2020 and resold in the first half of February 2021 as well as to the Greek securitisation Mexico (€4.6 million) of which 95% subordinated notes were subscribed in the fourth quarter of 2021 with simultaneous resale to a third investor for 90%, were recorded in the comparative period.

The contribution of **ancillary and other revenues** was more significant, amounting to €28.2 million (€19.2 million in December 2021), 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 17% of the total gross revenues for the year and show an increase of 47% compared to the previous year.

³ Source ABI - Cerved

(€/000)

	12/31/2022	12/31/2021	Change €	Change %
NPE revenues	138,015	140,720	(2,705)	(2)%
Co-investment revenues	1,507	8,846	(7,339)	(83)%
Ancillary and other revenues	28,183	19,180	9,003	47%
Gross revenues	167,705	168,746	(1,041)	(1)%
NPE Outsourcing fees	(7,629)	(9,949)	2,320	(23)%
Ancillary Outsourcing fees	(10,632)	(8,332)	(2,300)	28%
Net revenues	149,444	150,465	(1,021)	(1)%

Net revenues, equal to €149.4 million, decreased by 1% compared to €150.5 million of 2021.

NPE outsourcing fees fell sharply by 23% to €7.6 million (€9.9 million in 2021), with a decrease in all perimeters as a result of lower collections through the external network.

Ancillary outsourcing fees amounted to €10.6 million compared to €8.3 million in 2021, an increase of 28%, which was less than proportional to the increase in related revenues, thus showing a higher overall margin.

Operating expenses of €106.8 million, including €2.6 million of non-recurring items, showed an overall decrease of 7% compared to the same period in 2021, when they stood at €114.6 million.

(€/000)

	12/31/2022	12/31/2021	Change €	Change %
Staff expenses	(83,606)	(87,012)	3,406	(4)%
Administrative expenses	(23,199)	(27,558)	4,359	(16)%
<i>o.w. IT</i>	(9,733)	(11,467)	1,734	(15)%
<i>o.w. Real Estate</i>	(1,634)	(2,027)	393	(19)%
<i>o.w. SG&A</i>	(11,832)	(14,064)	2,232	(16)%
Operating expenses	(106,805)	(114,570)	7,765	(7)%
EBITDA	42,639	35,895	6,744	19%
<i>o.w. Non-recurring items included in EBITDA</i>	(2,563)	(909)	(1,654)	n.s.
<i>o.w. EBITDA excluding non-recurring items</i>	45,202	36,804	8,398	23%

More specifically, of the €7.8 million decrease, €3.4 million is attributable to staff expenses and €4.4 million to administrative expenses.

In particular, **staff expenses** amounted to €83.6 million, therefore recording a decrease of around 4% compared to €87.0 million in the previous year. During 2022, the employee efficiency programme included also in the recently approved Business Plan continued.

Administrative expenses decreased by 16% compared to the same period of 2021 due to lower general and administrative costs (for €2.2 million), lower IT costs (for €1.7 million) and lower costs relating to Real Estate (for €0.4 million).

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

These non-recurring items, which in the previous year amounted to €0.9 million, totalled €2.6 million and mainly concern costs related to legal consultancies and extraordinary transactions.

EBITDA excluding non-recurring items increased by 23% to €45.2 million (€36.8 in 2021), with a margin on revenues of 27% (22% in the comparative period), an increase in absolute value of €8.4 million.

Including non-recurring charges, EBITDA comes to €42.6 million, around 19% higher than the same figure recorded in 2021 (€35.9 million).

The Company's **EBIT** stood at €26.4 million, compared to €13.3 million in the comparative period. **EBT** amounted to €24.7 million compared to €0.6 million recorded in the previous year.

(€/000)	12/31/2022	12/31/2021	Change €	Change %
EBITDA	42,639	35,895	6,744	19%
Net write-downs on property, plant, equipment and intangibles	(11,777)	(11,311)	(466)	4%
Net provisions for risks and charges	(4,925)	(11,977)	7,052	(59)%
Net write-downs of loans	484	562	(78)	(14)%
Net income (losses) from investments	-	83	(83)	(100)%
EBIT	26,421	13,252	13,169	99%
Net income (loss) on financial assets and liabilities measured at fair value	(915)	1,335	(2,250)	n.s.
Net financial interest and commissions	(846)	(13,967)	13,121	(94)%
EBT	24,660	620	24,040	n.s.

In addition to the non-recurring items within the EBITDA (€2.6 million), EBT includes additional non-recurring charges for a total of €6.7 million mainly relating to costs for early retirement incentives (€2.3 million) and items linked to an arbitration in progress for the tax claim in Spain (€1.9 million).

Net write-downs on property, plant and equipment and intangibles amounted to €11.8 million, with a significant increase of €0.5 million compared to €11.3 million in 2021. 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 €5.6 million (€6.3 million in 2021). The remainder of amortisation primarily concerns software licenses connected with technology investments made by the Company during the period and aimed at upgrading the IT platform.

Net provisions for risks and charges totalled €4.9 million, with a decrease of €7.1 million compared to €12.0 million in 2021. This is mainly attributable to provisions for early termination incentives - in line with the Business Plan objectives - to be paid to employees participating in the Company's plan (€2.3 million, down by €3.1 compared to the previous period), as well to prudential provisions relative to some pending disputes and controversies, partially offset by releases of previous years' provisions considered to be no longer necessary. In 2021 this item included costs linked to the recognition of the net economic benefit to the counterpart, as part of the acquisition of the Greek subsidiary doValue Greece for €3.3 million.

Net income (loss) on financial assets and liabilities measured at fair value recorded a negative result of €0.9 million and recorded an increase compared to the previous period of around €2.2 million, when the item was positive for €1.3 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, negative for €0.8 million, show a positive change of €13.1 million compared to -€14.0 million in 2021, when economic effects of €4.6 million were recorded for the closure of the credit line replaced by the second bond issue. The item in question mainly includes 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 €10.3 million compared to 2021).

(€/000)	12/31/2022	12/31/2021	Change €	Change %
EBT	24,660	620	24,040	n.s.
Income tax for the period	(5,189)	(1,155)	(4,034)	n.s.
Profit (Loss) for the period	19,471	(535)	20,006	n.s.
Non-recurring items included in Profit (loss)	(4,965)	(12,843)	7,878	(61)%
Profit (loss) for the period excluding non-recurring items	24,436	12,308	12,128	99%

Income tax for the period is quantified on an accrual basis at €5.2 million compared to €1.2 million in 2021, by virtue of the higher value of the pre-tax result and 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 €24.4 million, compared to €12.3 million in 2021. Including non-recurring items, **Profit (Loss) for the period** was equal to €19.5 million, compared to -€0.5 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, 2022, 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.



0.5 Financial Position

INTRODUCTION

The balance sheet figures have been reclassified from a management perspective, in line with the representation of the condensed 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 condensed balance sheet reported below and the scheme given in the financial statements.

(€/000)

Balance Sheet	12/31/2022	12/31/2021	Change €	Change %
Cash and liquid securities	114,358	124,861	(10,503)	(8)%
Financial assets	198,475	227,295	(28,820)	(13)%
Equity investments	374,429	351,879	22,550	6%
Property, plant and equipment	17,969	7,549	10,420	138%
Intangible assets	17,907	13,372	4,535	34%
Tax assets	65,661	69,366	(3,705)	(5)%
Trade receivables	84,066	73,282	10,784	15%
Assets held for sale	10	30	(20)	(67)%
Other assets	4,900	4,739	161	3%
Total Assets	877,775	872,373	5,402	1%
Financial liabilities: due to banks/bondholders	564,084	560,892	3,192	1%
Other financial liabilities	62,684	28,150	34,534	123%
Trade payables	20,459	23,627	(3,168)	(13)%
Tax Liabilities	2,266	2,699	(433)	(16)%
Employee Termination Benefits	4,564	5,950	(1,386)	(23)%
Provision for risks and charges	13,816	13,917	(101)	(1)%
Other liabilities	19,712	31,217	(11,505)	(37)%
Total Liabilities	687,585	666,452	21,133	3%
Share capital	41,280	41,280	-	n.s.
Reserves	133,771	169,854	(36,083)	(21)%
Treasury shares	(4,332)	(4,678)	346	(7)%
Profit (loss) for the period	19,471	(535)	20,006	n.s.
Shareholders' Equity	190,190	205,921	(15,731)	(8)%
Total Liabilities and Shareholders' Equity	877,775	872,373	5,402	1%

Cash and liquid securities include available liquidity in current accounts. Compared to December 31, 2021, there was a decrease of €10.5 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 dropped from €227.3 million to €198.5 million, down by €28.8 million.

The item is broken down in the following table.

(€/000)

Financial assets	12/31/2022	12/31/2021	Change €	Change %
At fair value through profit or loss	42,126	46,269	(4,143)	(9)%
Debt securities	18,145	18,881	(736)	(4)%
CIUs	23,628	25,805	(2,177)	(8)%
Non-hedging derivatives	353	1,583	(1,230)	(78)%
At fair value through OCI	10,171	9,989	182	2%
Equity instruments	10,171	9,989	182	2%
At amortised cost	146,178	171,037	(24,859)	(15)%
Loan assets on intercompany current account	33,935	-	33,935	n.s.
L&R with customers	112,243	171,037	(58,794)	(34)%
Total	198,475	227,295	(28,820)	(13)%

The component of financial assets "at fair value through profit or loss" recorded an overall decrease of €4.1 million, mainly due to a reduction in debt securities component caused by valuation effects (€0.6 million) and a decrease of €2.2 million in CIU units related to the restricted closed-end alternative securities investment fund denominated Italian Recovery Fund (formerly Atlante II), of which €1.5 million was due to the cancellation and distribution of units and €0.7 million to the related negative fair value difference.

The category "at fair value through OCI", which includes minority interests in the Brazilian fintech company QueroQuitar S.A. (11.46%) and in the Irish proptech company BidX1 (17.7%), shows a total increase of €0.2 million exclusively attributable to the latter. Regarding BidX1, during December 2022 doValue exercised its option to purchase additional equity interests, thus increasing its stake from 15.2% in 2021. The exercise of this option also led to the elimination of the related non-hedging derivative, the residual value of which at 31 December 2022 (€353 thousand) is representative of the value of the residual call option.

The component of financial assets "at amortised cost" recorded a decrease of €24.9 million

mainly due to the repayments made during the year of the loans granted to doValue Spain and doValue Greece, partially offset by the increase in receivables from doValue Spain and doValue Portugal following the launch in 2022 of cash pooling operations.

Equity investments amounted to €374.4 million and were affected in the period by:

- an increase of €21.6 million in the value of the equity investment in doValue Greece due to the increase in the fair value of the Earn-out liability linked to the company's acquisition price;
- an increase of €0.9 million in the value of the equity investments in doValue Spain, doValue Greece and doValue Greece Real Estate, respectively in the amount of €0.4 million, €0.5 million and €0.03 million, due to the share of remuneration in the form of allocation of parent company shares, allocated to certain categories of managers of these investee companies, as required by the remuneration policy.

Property, plant and equipment, amounting to €18.0 million, showed an increase of €10.4 million compared to December 31, 2021 mainly due to the renewal of the lease contracts of some offices for a total of €12.5 million as well as against of purchases dedicated to the new technological infrastructure for €4.4 million, offset by depreciation for the year of €6.4 million.

Intangible assets went from €13.4 million to €17.9 million, therefore recording a decrease of €4.5 million. This differential is determined by the combined effect of reductions of €5.9 million against amortisation and increases of €10.4 million relating to software purchases (including the part classified as assets under development and payments on account).

The following is a breakdown of intangible assets:

(€/000)

Intangible assets	12/31/2022	12/31/2021	Change €	Change %
Software	13,577	10,436	3,141	30%
Brands	56	60	(4)	(7)%
Assets under development and payments on account	4,274	2,876	1,398	49%
Total	17,907	13,372	4,535	34%

The **tax assets** detailed below show a balance of €65.7 million as at December 31, 2022, compared to €69.4 million as at December 31, 2021. The reduction of €3.7 million is mainly due to the decrease in current tax assets (€1.5 million), as well as to the reversals of deferred tax assets for a total of €2.2 million.

(€/000)

Tax assets	12/31/2022	12/31/2021	Change €	Change %
Current tax assets	4,025	5,512	(1,487)	(27)%
Paid in advance	4,025	583	3,442	n.s.
Tax credits	-	5,476	(5,476)	(100)%
Tax liabilities	-	(547)	547	(100)%
Deferred tax assets	59,975	62,177	(2,202)	(4)%
Write-down on loans	49,330	49,329	1	0%
Tax losses carried forward in the future	4,611	6,680	(2,069)	(31)%
Property, plants and equipment/Intangible assets	326	205	121	59%
Other assets/liabilities	1,886	1,986	(100)	(5)%
Provisions	3,822	3,977	(155)	(4)%
Other tax receivables	1,661	1,677	(16)	(1)%
Total	65,661	69,366	(3,705)	(5)%

The breakdown of **tax liabilities** is also shown below, which also shows a decrease compared to the 2021 balances. Also in this case, the main reduction refers to a lower payable included in the item "Other tax payables".

(€/000)

Tax liabilities	12/31/2022	12/31/2021	Change €	Change %
Deferred tax liabilities	20	20	-	n.s.
Other tax payables	2,246	2,679	(433)	(16)%
Total	2,266	2,699	(433)	(16)%

As at December 31, 2022, **financial liabilities – payables to banks/bondholders** rose from €560.9 million to €564.1 million, up by €3.2 million, mainly linked to the increase in the amortised cost of the bonds issued.

As at December 31, 2022, the residual debt at amortised cost for the two bonds issued is as follows:

- 2020-2025 bond with a nominal value of €265.0 million, interest rate of 5.0%: €263.6 million;
- 2021-2026 bond with a nominal value of €300.0 million, interest rate of 3.4%: €300.4 million.

Other financial liabilities at the end of 2022 are detailed below:

(€/000)

Other financial liabilities	12/31/2022	12/31/2021	Change €	Change %
Lease liabilities	16,443	5,106	11,337	n.s.
Earn-out	44,648	23,044	21,604	94%
Other financial liabilities	1,593	-	1,593	n.s.
Total	62,684	28,150	34,534	123%

“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 operation in the amount of €17.5 million, which represents a portion of the acquisition price and (ii) to the acquisition of doValue Greece for €27.2 million (€5.7 as at December 31, 2021) that is related to the achievement of some EBITDA targets within a ten-year time frame and the first payments of which will not be due before 2024. The increase in this component compared to the previous year is due to the strong economic performance in Greece in 2022, which led doValue to recognise a higher value of this liability.

Provisions for risks and charges went from a balance of €13.9 million as at December 31, 2021 to €13.8 million at December 31, 2022, showing a reduction of €0.1 million due to the combined effect of new allocations, uses and releases in respect of both litigation and out-of-court disputes during the period.

(€/000)

Provisions for risks and charges	12/31/2022	12/31/2021	Change €	Change %
Legal disputes	4,621	6,391	(1,770)	(28)%
Staff expenses	514	673	(159)	(24)%
Other	8,681	6,853	1,828	27%
Total	13,816	13,917	(101)	(1)%

Other liabilities decreased by €11.5 from €31.2 million to €19.7 million, mainly due to the following changes:

- decrease of €8.6 million for the payment of the payable to Eurobank following the recalculation of the Net Economic Benefit envisaged by the Share Purchase Agreement by way of adjustment to the acquisition price of the subsidiary doValue Greece;
- a decrease of €5.4 million in payables relating to personnel attributable to the liquidation of the 2021 incentive system offset by new payables arising in the period.

Shareholders' Equity amounted to €190.2 million, down by €15.7 million compared to €205.9 million as at December 31, 2021; this decrease derives from the combined effect of the distribution of dividends (€39.5 million), the coverage of the loss of the previous year (€0.5 million) and the net increase in the stock option reserve accounted for pursuant to IFRS 2 (€5.0 million) and the revaluation reserve (€0.9 million) as well as the profit for the period (€19.5 million).

NET WORKING CAPITAL

(€/000)

Net Working Capital	12/31/2022	12/31/2021
Trade receivables	84,066	73,282
Trade payables	(20,459)	(23,627)
Total	63,607	49,655

The figure for the period of €63.6 million is up 28% compared to December 2021 (€49.7 million).

If compared to revenues, the incidence of working capital stands at 38% versus 29% in 2021.

NET FINANCIAL POSITION

(€/000)

Net Financial Position	12/31/2022	12/31/2021
A Cash and cash equivalents	114,358	124,861
B Liquidity	114,358	124,861
C Current bank debts	(125)	(41)
D Bonds issued - current	(11,333)	(9,993)
E Current debts	74,692	60,401
F Net current financial position (B)+(C)+(D)+(E)	177,592	175,228
G Bonds issued - non current	(554,220)	(550,858)
H Non Current debts	70,930	111,604
I Net financial position (F)+(G)+(H)	(305,698)	(264,026)

The **net financial position** at the end of 2022 stood at €(305.7) million compared to €(264.0) million at the end of 2021.

The item "Cash and cash equivalents" of €114.4 million provides the Company with the flexibility it needs to develop its operating plans. In addition, as at December 31, 2022, the Company has €73 million of fully available committed credit lines to support total liquidity.

The **current net financial position** remained positive at €177.6 million (€173.7 million at the end of 2021), reflecting a balanced overall capital structure.

With regard to its debt structure, it should be noted that from time to time, depending on market conditions and other factors, doValue or one of its affiliates may repurchase or acquire an interest in its outstanding debt securities, whether or not such securities are traded above or below their nominal value, using its cash or in exchange for other securities or other considerations, in each case through purchases in the market or through privately negotiated transactions or other transactions.

0.6 Significant events during the period

ASSETS UNDER MANAGEMENT AND MANDATES

Since the beginning of 2022, the Group has been awarded approx. €7.4 billion of additional new mandates (partly not yet onboarded as at December 31, 2022) of which €3.0 billion in Italy, €3.9 billion in the Hellenic Region and €540 million in Iberia.

The new mandates, together with the €3.8 billion forward flows received in 2022 represent an additional €11.2 billion of GBV.

In addition, considering the €450 million Project Virgo and the €630 million Project Souq in Greece (secondary NPL disposals from the Frontier and Cairo portfolios respectively, with doValue retaining the servicing mandate) the total GBV secured in 2022 is to €12.3 billion.

These results are remarkable given the postponement of the Ariadne project (€5.2 billion GBV portfolio in Greece) until 2023.

As at December 31, 2022, Gross Book Value stood at €120.5 billion, a decrease of 19.4% compared to the level of €149.5 billion at the end of 2021 (a decrease of 5.1% excluding the €20.7 billion Sareb portfolio).

The level of Gross Book Value of €120.5 billion is the result of new onboarded GBV of €13.0 billion, collections of €5.5 billion, write-offs of €8.7 billion, disposals from customers of €7.1 billion (mostly compensated by indemnity fees) and the Sareb NPL portfolio off-boarding of €20.7 billion.

As a reminder, as at December 31, 2022, there were €4.5 billion of new mandates already secured and not yet onboarded.

PRESENTATION OF THE 2022-2024 BUSINESS PLAN

On January 25, 2022, the Board of Directors of doValue approved the 2022-2024 Business Plan, which was presented to the market on January 26, 2022, during the company's Capital Markets Day. The 2022-2024 Business Plan confirms doValue's efficient business model as an independent key player and capital light in the credit servicing sector in Southern Europe. The vision for "doValue 2024" revolves mainly around the company's ability to lead the evolution of the credit servicing industry through investments in technology and through its ability to strengthen strategic and long-term partnerships with banks and investors in a broader reference market.

RUSSIA-UKRAINE WAR

It is noted that on February 24, 2022, Russia began a military invasion of Ukraine, which led to a bitter conflict with the Ukrainian population and military armed forces, which is still ongoing. The reaction of Western countries, in particular the United States and the European Union, has been to implement various financial and economic sanctions against Russia. These sanctions, together with a greater geopolitical risk, caused a considerable increase in volatility in the financial markets. The direct exposure of the doValue Group to Russia and Ukraine is negligible.

SHAREHOLDERS' MEETING

The Ordinary Shareholders' Meeting of doValue (the **"Shareholders' Meeting"**) was held on April 28, 2022.

In particular, the Shareholders' Meeting:

- approved the Separate Financial Statements of doValue S.p.A. as at December 31, 2021;
- approved the payment of a dividend of approximately €39.5 million (representing a dividend of €0.50 per share);
- approved the 2021 remuneration policy;
- approved the proposed waiver of the 2021 remuneration policy, concerning the allocation of the variable remuneration for 2021 in favour of the Chief Executive Officer;
- approved the 2022-2024 incentive plan;
- granted a new authorisation to purchase treasury shares;
- appointed Cristina Finocchi Mahne as Director of the Company;
- approved the inclusion of the fees of the audit firm EY S.p.A. for 2021.

ADMISSION TO THE STAR SEGMENT

In May 2022, doValue has received the approval from Borsa Italiana for the admission to trading of its ordinary shares on the Euronext STAR Milan segment of Euronext Milan.

Already admitted to trading on the MTA segment of Borsa Italiana (now Euronext Milan) since July 14, 2017, the ordinary shares of doValue started trading from June 3, 2022, on the Euronext STAR Milan segment of the Euronext Milan market, a segment dedicated to companies with exceptionally high standards in terms of transparency, communication, liquidity, and corporate governance (standards already largely met by doValue).

As part of the admission to the Euronext STAR Milan segment, doValue has appointed Mediobanca – Banca di Credito Finanziario S.p.A. as Specialist, in compliance with the provisions of the Regulations and the Instructions of Borsa Italiana.

TAX AUDIT

It should be noted that the Company has received a tax audit by the Italian Tax Authority concerning the fiscal years 2015, 2016 and 2017, prior to the listing. As a result of the formal closure of the tax audit, two substantive findings were raised for 2016 and 2017 (with regular closure of the verification for the 2015 fiscal period). Concerning that point, the Company promptly provided comments and clarifications to the Italian Tax Authority, in order to demonstrate in detail, the full correctness of the conduct adopted.

OTHER SIGNIFICANT ACTIVITIES

In 2022, 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 for an aggregate amount of €1.1 billion, including sizeable commitments from two top tier banks in Italy.
- **Project Nix:** in October 2022, doValue granted the management of a €300 million portfolio of non-performing loans by Fortress in Spain, representing the first sizeable NPL portfolio investment of Fortress in the Spanish market, following the establishment of its local office in Madrid in May 2022.

- **Project Virgo:** in October 2022, doValue completed a €450 million GBV secondary portfolio disposal in Greece to EOS Group. The portfolio was carved out from the Frontier I HAPS securitisation vehicle which has been managed by doValue since the beginning of February 2022. The disposal allows doValue to accelerate its collection activity in Greece (for which it received a Collection fee in Q4 2022) whilst retaining the long-term servicing mandate on the portfolio.
- **Project Frontier II:** in July 2022, doValue signed an agreement with the National Bank of Greece (NBG) in relation to the management of a Greek portfolio consisting of mostly secured non-performing loans for a GBV of €1.0 billion. The agreement is subject to the completion of the securitisation process of such portfolio by NBG under the Hellenic Asset Protection Scheme (HAPS) which is expected to be finalised in the first half of 2023.
- **GACS securitisations:** between May and June 2022, BCC Banca Iccrea and UniCredit completed two securitisations of non-performing loans assisted by GACS guarantee for a value of €650 million and €1.1 billion, respectively. doValue assumed the role of special servicer for both securitisations.
- **Project Sky:** in May 2022, doValue signed a memorandum of understanding with Cerberus for the exclusive management of a portfolio of non-performing loans originated in Cyprus with GBV of €2.2 billion. doValue will assume the servicing of the portfolio from the expected closing in 2023 until the portfolio run-off, whilst assisting in the management of the portfolio up to closing.
- **Project Neptune:** in April 2022, doValue was awarded a servicing mandate by Fortress in Greece for a portfolio of €500 million. As background, in 2020, Fortress acquired a portfolio from Alpha Bank with a GBV of approximately €1.1 billion and assigned the transitional servicing mandate to Greek servicer CEPAL. With Project Neptune, doValue takes over the management of approximately 50% of the initial €1.1 billion portfolio as long-term servicer.
- **Launch of the Legal Services business unit in Spain:** in July 2022, doValue has formally set up a new business unit in Spain dedicated to providing legal services to banks and institutional investors. The initiative is in line with the plan to further grow and diversify the portfolio of products and solutions that doValue offers to its current and prospective customers in Spain. In October 2022, doValue signed an important contract with Sareb for the provision of legal services.
- **Launch of the SME business unit in Spain:** in June 2022, doValue has formally set up a business unit dedicated to the management of Non-Performing Exposures (NPE) related to Small and Medium Enterprises (SME) in Spain. The SME business unit employs approximately 40 professionals and currently manages approximately €3 billion of GBV, a level that is expected to grow over the next few quarters.
- **Sareb servicing contract:** at the end of February 2022, Sareb decided to appoint two new servicers for the 2022-2025 contract and therefore not to renew the contract with doValue and the other 3 servicers currently managing the Sareb portfolio. The decision by Sareb has triggered a reorganisation of doValue's activities in Spain aimed at operating at an adequate scale preserving the profitability of the business in Iberia. Approximately €8 million of reorganisation costs were spent in 2022 and it is expected that the overall cost of €11 million will be lower than the initially estimated amount and equal to €15 million.
- **ISO 37001:16 certification:** during November 2022, doValue S.p.A. obtained the UNI ISO 37001:16 certification - Management system for the prevention of corruption - the first international standard for anti-corruption management systems. The certification issued by Bureau Veritas, one of the most important international players in the field of certification, testifies to doValue's constant attention and commitment to preventing all forms of corruption. The UNI ISO 3700 standard was created to provide companies and organisations with advanced management standards and effective measures to prevent and combat corruption, thereby establishing a culture of integrity, transparency and compliance.

0.7 Significant events after the end of the period

RESIGNATION OF THE CHIEF EXECUTIVE OFFICER

On March 17th, 2023 the Chief Executive Officer Andrea Mangoni announced his intention to resign from his role, with effective date April 27th, 2023 (the planned day for the Annual General Meeting of the Company), to take on new professional opportunities.

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 are no indemnities nor benefits in relations to the cessation of the role of Chief Executive Officer. The number of shares of the Company owned by Andrea Mangoni will be communicated at the time of the effective cessation of his role as Chief Executive Officer.

OTHER SIGNIFICANT 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.

- **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.
- **Project Souq:** in February 2023, doValue completed a €630 million GBV secondary portfolio disposal in Greece to Intrum. The portfolio has been carved out from the Cairo I and Cairo II HAPS securitisation vehicles, which have been managed by doValue since their creation. The disposal allows doValue to accelerate its collection activity in Greece (for which it received a Collection fee in Q1 2023) whilst retaining the long-term servicing mandate on the portfolio.
- **Fino 1 GACS securitisation:** in January 2023, thanks to the strong performance of doValue in the management of the securitisation Fino 1, in the context of which the GACS guarantee was granted by the Italian Ministry of Economy and Finance, the Class A senior notes of this securitisation have been repaid.

0.8 Outlook for operations

During 2023, the Group will continue to implement its 2022-2024 Business Plan, leveraging on the results achieved in 2022.

In particular, it is expected that activities in Italy will continue in continuity with what was seen in 2022, with substantially stable expected performances year on year.



0.9 Main risks and uncertainties

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

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 Company'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. The macroeconomic context shows signs and prospects of a return to normal after the difficulties experienced due to the Covid-19 pandemic; however, elements of uncertainty remain linked to the effect that inflationary dynamics and the increase in interest rates will have on the economy, which could have repercussions on the ability of debtors to repay their exposures.

It should also be noted that the future evolution and the related effects, on global macroeconomic prospects and on global geopolitical stability deriving from the Russia-Ukraine conflict are still unpredictable.

At the date of approval of these Financial Statements, considering the high degree of uncertainty linked to these extraordinary circumstances, the actual impacts, direct and indirect, on the Company's business cannot be estimated.

GOING CONCERN

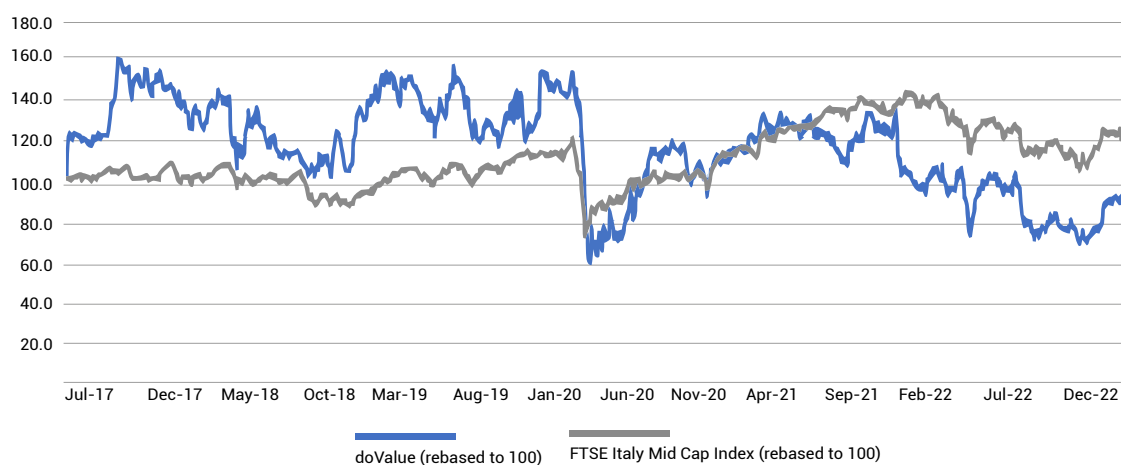
In order to express an opinion on the going concern assumption on the basis of which these Financial Statements as at December 31, 2022 were prepared, the risks and uncertainties to which the Group is exposed were carefully assessed:

- in particular, account was taken of the forecasts regarding the macroeconomic scenarios impacted by the combination of the remaining effects of the Covid-19 pandemic, inflation, the increase in interest rates, the deterioration of the economic climate, geopolitical risks and the uncertainties relating to future developments;
- in the sustainability assessment of assets as at December 31, 2022, account was taken of the Group's solid capital base, financial position and confirmed ability to generate cash flow, as reflected in the Group's 2022-2024 Business Plan, as well as the characteristics of doValue's specific business model, which is capable of responding flexibly to the various phases of the economic cycle;
- finally, account was taken of assets under management, as well as the contribution of new portfolio management contracts recorded in 2022.

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.

0.10 doValue shares

doValue shares were listed on the Italian screen-based stock exchange (MTA) managed by Borsa Italiana (now Euronext Milan) on July 14, 2017. The chart below shows the performance of the shares from its listing on the stock market up to the end of 2022, in relation to the Mid-Caps Index of the Stock Exchange in Milan, in which doValue is included.



Since its listing at the end of 2019, doValue's stock has outperformed the basket of Italian stocks comparable in size (FTSE Italia Mid Cap Index), appreciating from its €9 IPO share value up to €12 per share. The interest of investors in the strategic positioning of the group, a leader in a growing and profitable sector, has contributed to this positive performance. Added to this is the market's appreciation of both the organic growth strategy outlined in the Business Plan presented in June 2018 and updated in November 2019, and the acquisitions of Altamira Asset Management and FPS. During the period, dividend income of €0.394 and €0.460 per share, relative to the 2017 and 2018 periods respectively, further improved returns for shareholders.

In the first months of 2020, due to the global outbreak of the Covid-19 pandemic, financial markets, including the key stock indices and doValue shares, recorded high volatility and a significant reduction in value. In the second half of the year, thanks to the commencement of expansive monetary and fiscal policies in Europe and the United States, the financial markets - and doValue as a result - began a phase of recovery to pre-pandemic values. This movement was accentuated in the last two months of 2020 with the announcement of the efficacy of the first Covid-19 vaccines. In fact, already during the first quarter of 2021, the stock is back above IPO levels. Since October 2021, however, the stock has underperformed the basket of Italian Mid Cap stocks, mainly due to uncertainties related to the potential renewal of the doValue contract with the client Sareb in Spain (the Group's largest customer in terms of Gross Book Value and Gross Revenues in 2021), expiring in June 2022. In particular, the uncertainty that affected the

last quarter of 2021 was linked to expectations regarding the economic impacts of a possible renewal of the contract with Sareb as a function of a forecast profitability lower than initial expectations.

On January 25, 2022, doValue approved the 2022-2024 Business Plan, which included the renewal of the Sareb contract, albeit with very limited profitability. On February 24, 2022, Sareb announced that it had engaged two servicers for the new contract that were not part of the pool of four incumbent servicers to which doValue belonged. The news weighed on the stock in the days that followed. Nevertheless, during 2022, the overall performance of the doValue share was in line with the FTSE Italy Mid Cap Index. In general, the performance of global equity markets in 2022 was negative due to recession fears and rising interest rates.

The main statistics on the performance of doValue shares are reported in the table below:

Summary data	Euro	Date
IPO price	9.00	07/14/2017
Minimum closing price (adjusted for dividends paid)	4.79	03/23/2020
Maximum closing price (adjusted for dividends paid)	12.85	10/18/2017
Last closing price	7.16	12/30/2022
Number of outstanding shares	80,000,000	12/30/2022
Treasury shares	900,434	12/30/2022
Capitalisation	572,800,000	12/30/2022
Capitalisation (excluding treasury shares)	566,352,893	12/30/2022

Source: Bloomberg

0.11 Other information

MANAGEMENT AND COORDINATION

As at December 31, 2022, 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%.

As at December 31, 2022, the residual 71.73% of the shares was placed on the market and 1.13% is represented by 900,434 treasury shares, measured at cost, for a total of €4.3 million held by doValue.

The reference shareholder does not exercise any management or coordination over doValue pursuant to Articles 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

As at December 31, 2022, doValue held 900,434 treasury shares, equal to 1.13% of the total share capital. Their book value is €4.3 million and they are shown in the financial statements as a direct reduction of shareholders' equity under Treasury shares in application of the provisions of Article 2357-ter of the Italian Civil Code.

The ordinary Shareholders' meeting of April 28, 2022, 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 29, 2021. 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.

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.

HUMAN RESOURCES

The Company'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 the end of 2022, the number of Company employees was 956 compared to 976 at the end of 2021.

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

RELATED-PARTY TRANSACTIONS

In compliance with the provisions of the "Rules for the 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:

- on the basis of the Policy in relation to transactions with related parties adopted by the Board of Directors of doValue S.p.A., during 2022 no significant transactions were carried out;
- in 2022, 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 Group;

ATYPICAL AND/OR UNUSUAL TRANSACTIONS

Pursuant to Consob communication no. 6064293 of July 28, 2006, it should be noted that in 2022 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, the doValue Group has prepared the consolidated non-financial statement, which constitutes a separate report. The 2022 consolidated non-financial statement is available on the Group's website www.doValue.it under the "Sustainable value" 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, 2022. 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 23, 2023

The Board of Directors



RECONCILIATION BETWEEN THE CONDENSED AND STATUTORY INCOME STATEMENT

(€/000)	12/31/2022	12/31/2021
NPE revenues	138,015	140,720
o.w. Revenue from contracts with customers	138,015	140,720
Co-investment revenues	1,507	8,846
o.w. Financial (expense)/income	1,507	8,846
Ancillary and other revenues	28,183	19,180
o.w. Financial (expense)/income	3	3
o.w. Revenue from contracts with customers	3,853	1,895
o.w. Other revenue	24,248	17,276
o.w. Other operating (expense)/income	79	6
Gross revenues	167,705	168,746
NPE Outsourcing fees	(7,629)	(9,949)
o.w. Costs for services rendered	(7,664)	(10,120)
o.w. Other revenue	35	171
Ancillary Outsourcing fees	(10,632)	(8,332)
o.w. Administrative expenses	(10,632)	(8,332)
Net revenues	149,444	150,465
Staff expenses	(83,606)	(87,012)
o.w. Personnel expenses	(83,799)	(87,219)
o.w. Other revenue	193	207
Administrative expenses	(23,199)	(27,558)
o.w. Personnel expenses	(652)	(563)
o.w. Personnel expenses - o.w. SG&A	(652)	(563)
o.w. Administrative expenses	(29,500)	(36,012)
o.w. Administrative expenses - o.w. IT	(13,749)	(15,131)
o.w. Administrative expenses - o.w. Real Estate	(1,634)	(2,027)
o.w. Administrative expenses - o.w. SG&A	(14,117)	(18,854)
o.w. Other operating (expense)	(17)	707
o.w. Other operating (expense)/income of which: SG&A	(17)	707
o.w. Other revenue	7,001	8,352
o.w. Other revenue - o.w. IT	4,016	3,664
o.w. Other revenue - o.w. SG&A	2,985	4,688
o.w. Costs for services rendered	(31)	(42)
o.w. Costs for services rendered - o.w. SG&A	(31)	(42)
<i>Total "o.w. IT"</i>	<i>(9,733)</i>	<i>(11,467)</i>
<i>Total "o.w. Real Estate"</i>	<i>(1,634)</i>	<i>(2,027)</i>
<i>Total "o.w. SG&A"</i>	<i>(11,832)</i>	<i>(14,064)</i>
Operating expenses	(106,805)	(114,570)

[Continue →](#)

(€/000)	12/31/2022	12/31/2021
EBITDA	42,639	35,895
EBITDA Margin	25%	21%
Non-recurring items included in EBITDA	(2,563)	(909)
EBITDA excluding non-recurring items	45,202	36,804
EBITDA Margin excluding non-recurring items	27%	22%
Net write-downs on property, plant, equipment and intangibles	(11,777)	(11,311)
o.w. Depreciation, amortisation and impairment	(12,291)	(11,476)
o.w. Other operating (expense)/income	514	165
Net Provisions for risks and charges	(4,925)	(11,977)
o.w. Personnel expenses	(2,260)	(5,403)
o.w. Provisions for risks and charges	(2,442)	(2,656)
o.w. Other operating (expense)/income	(64)	(3,410)
o.w. Depreciation, amortisation and impairment	(159)	(508)
Net Write-downs of loans	484	562
o.w. Depreciation, amortisation and impairment	37	71
o.w. Other revenue	447	491
Profit (loss) from equity investments	-	83
o.w. Profit (loss) from equity investments	-	83
EBIT	26,421	13,252
Net income (loss) on financial assets and liabilities measured at fair value	(915)	1,335
o.w. Financial (expense)/income	(915)	1,335
Financial interest and commissions	(846)	(13,967)
o.w. Financial (expense)/income	(22,373)	(24,778)
o.w. Costs for services rendered	(85)	(521)
Dividends income similar revenue	21,612	11,332
EBT	24,660	620
Non-recurring items included in EBT	(6,722)	(14,604)
EBT excluding non-recurring items	31,382	15,224
Income tax for the period	(5,189)	(1,155)
o.w. Administrative expenses	(1,612)	(1,619)
o.w. Income tax expense	(3,577)	464
Profit (Loss) for the period	19,471	(535)

RECONCILIATION BETWEEN THE CONDENSED AND STATUTORY BALANCE SHEET

(€/000)	12/31/2022	12/31/2021
Cash and liquid securities	114,358	124,861
Cash and cash equivalents	114,358	124,861
Financial assets	198,475	227,295
Non-current financial assets	123,783	166,894
Current financial assets	74,692	60,401
Equity investments	374,429	351,879
Equity investments	374,429	351,879
Property, plant and equipment	17,969	7,549
Property, plant and equipment	17,914	7,494
Inventories	55	55
Intangible assets	17,907	13,372
Intangible assets	17,907	13,372
Tax assets	65,661	69,366
Deferred tax assets	59,975	62,177
Other current assets	1,661	1,529
Tax assets	4,025	5,660
Trade receivables	84,066	73,282
Trade receivables	84,066	73,282
Assets held for sale	10	30
Assets held for sale	10	30
Other assets	4,900	4,739
Other current assets	4,597	4,510
Other non-current assets	303	229
Total Assets	877,775	872,373
Financial liabilities: due to banks	564,084	560,892
Loans and other financing non-current	554,219	550,858
Loans and other financing current	9,865	10,034
Other financial liabilities	62,684	28,150
Loans and other financing current	1,593	-
Other non-current financial liabilities	27,641	7,681
Other current financial liabilities	33,450	20,469
Trade payables	20,459	23,627
Trade payables	20,459	23,627
Tax Liabilities	2,266	2,699
Tax payables	2,246	2,679
Deferred tax liabilities	20	20
Employee Termination Benefits	4,564	5,950
Employee benefits	4,564	5,950
Provision for risks and charges	13,816	13,917
Provisions for risks and charges	13,816	13,917
Other liabilities	19,712	31,217
Other current liabilities	17,348	31,049
Other non-current liabilities	2,364	168
Total Liabilities	687,585	666,452

[Continue →](#)

(€/000)	12/31/2022	12/31/2021
Share capital	41,280	41,280
Share capital	41,280	41,280
Reserves	133,771	169,854
Valuation reserve	(1,098)	(178)
Other reserves	134,869	170,032
Treasury shares	(4,332)	(4,678)
Treasury shares	(4,332)	(4,678)
Profit (loss) for the period	19,471	(535)
Profit (loss) for the period	19,471	(535)
Shareholders' Equity	190,190	205,921
Total Liabilities and Shareholders' Equity	877,775	872,373

Financial Statements as at December 31, 2022



Financial Statements

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BALANCE SHEET

(€)

	NOTE	12/31/2022	12/31/2021
Non-current assets			
Intangible assets	1	17,907,436	13,372,378
Property, plant and equipment	2	17,914,435	7,494,340
Equity investments	3	374,429,019	351,878,923
Non-current financial assets	4	123,783,414	166,893,772
Deferred tax assets	5	59,974,631	62,177,306
Other non-current assets	6	302,739	229,090
Total non-current assets		594,311,674	602,045,809
Current assets			
Inventories	7	54,701	54,701
Current financial assets	4	74,692,032	60,401,259
Trade receivables	8	84,066,365	73,282,192
Tax assets	9	4,025,053	5,660,237
Other current assets	6	6,258,360	6,039,080
Cash and cash equivalents	10	114,358,453	124,860,577
Total current assets		283,454,964	270,298,046
Assets held for sale	11	10,000	30,000
Total assets		877,776,638	872,373,855
Shareholders' Equity			
Share capital		41,280,000	41,280,000
Valuation reserve		(1,097,662)	(177,745)
Other reserves		134,868,962	170,032,045
Treasury shares		(4,332,158)	(4,678,108)
Profit (loss) for the period		19,470,926	(534,919)
Shareholders' Equity	12	190,190,068	205,921,273
Total Shareholders' Equity		190,190,068	205,921,273
Non-current liabilities			
Loans and other financing	13	554,219,913	550,859,046
Other non-current financial liabilities	14	27,641,371	7,680,799
Employee benefits	15	4,564,347	5,950,357
Provisions for risks and charges	16	13,815,818	13,916,831
Deferred tax liabilities	5	19,945	19,945
Other non-current liabilities	18	2,363,830	167,520
Total non-current liabilities		602,625,224	578,594,498
Current liabilities			
Loans and other financing	13	11,458,064	10,033,670
Other current financial liabilities	14	33,450,100	20,469,115
Trade payables	17	20,459,338	23,626,729
Tax payables	9	2,245,834	2,679,315
Other current liabilities	18	17,348,010	31,049,255
Total current liabilities		84,961,346	87,858,084
Total liabilities		687,586,570	666,452,582
Total Shareholders' Equity and liabilities		877,776,638	872,373,855

INCOME STATEMENT

(€)	NOTE	12/31/2022	12/31/2021
Revenue from contracts with customers	21	141,867,966	142,614,729
Other revenue	22	31,924,560	26,496,423
Total revenue		173,792,526	169,111,152
Costs for services rendered	23	(7,780,356)	(10,683,246)
Personnel expenses	24	(86,710,992)	(93,184,557)
Administrative expenses	25	(41,743,850)	(45,962,844)
Other operating (expense)/income	26	512,202	(2,531,610)
Depreciation, amortisation and impairment	27	(12,413,036)	(11,913,592)
Provisions for risks and charges	28	(2,442,136)	(2,655,794)
Total costs		(150,578,168)	(166,931,643)
Operating income		23,214,358	2,179,509
Financial (Expense)/Income	29	(21,778,346)	(14,594,265)
Profit (loss) from equity investments		-	83,489
Dividends and ordinary similar income	30	21,612,076	11,332,371
Profit (Loss) before tax		23,048,088	(998,896)
Income tax expense	31	(3,577,162)	463,977
Net profit (loss) from continuing operations		19,470,926	(534,919)
Profit (Loss) for the period		19,470,926	(534,919)

STATEMENT OF COMPREHENSIVE INCOME

(€)

	12/31/2022	12/31/2021
Profit (Loss) for the period	19,470,926	(534,919)
Other comprehensive income after tax not recyclable to profit or loss		
Equity securities designated at fair value with impact on comprehensive income	(1,341,485)	-
Defined-benefit plans	421,568	(141,103)
Other comprehensive income after tax recyclable to profit or loss		
Cash flow hedges	-	345,238
Total other comprehensive income after tax	(919,917)	204,135
Comprehensive income	18,551,009	(330,784)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

AS AT 12/31/2022

(€)	Share capital	Valuation reserve	Other reserves		Treasury shares	Net profit (loss) for the period	Total Shareholders' Equity
			Reserves from profit and/or withholding tax	Other			
Balance at 1/1	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 payouts	-	-	(24,996,001)	(14,552,939)	-	-	(39,548,940)
Changes in reserves	-	-	-	-	-	-	-
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

AS AT 12/31/2021

(€)	Share capital	Valuation reserve	Other reserves		Treasury shares	Net profit (loss) for the period	Total Shareholders' Equity
			Reserves from profit and/or withholding tax	Other			
Initial balance	41,280,000	(381,880)	60,781,818	121,227,932	(103,192)	7,830,689	230,635,367
Allocation of the previous year profit to reserves	-	-	-	-	-	-	-
Dividends and other payouts	-	-	(12,975,958)	-	-	(7,830,689)	20,806,647
Changes in reserves	-	-	-	-	-	-	-
Stock options	-	-	2,494,711	(1,496,458)	(4,574,916)	-	(3,576,663)
Comprehensive income of the period	-	204,135	-	-	-	(534,919)	(330,784)
Final balance	41,280,000	(177,745)	50,300,571	119,731,474	(4,678,108)	(534,919)	205,921,273

CASH FLOW STATEMENT - INDIRECT METHOD

(€)	12/31/2022	12/31/2021
Non-current assets		
Profit (loss) for the period before tax	23,048,088	(998,896)
Adjustments to reconcile the profit (loss) before tax with the net financial flows:	19,822,585	16,693,377
Capital gains/losses on financial assets/liabilities held for trading and on financial assets/liabilities measured at fair through profit or loss (+/-)	915,231	(1,307,834)
Depreciation, amortisation and impairment	12,440,715	11,913,592
Change in net provisions for risks and charges	2,491,339	2,645,436
Financial (Expense)/Income	20,975,879	12,817,903
Profit/loss on equity interests and investments	(21,612,076)	(11,415,860)
Costs for share-based payments	4,611,497	2,040,140
Change in working capital	(14,110,872)	(1,809,509)
Change in trade receivables	(10,943,481)	(10,422,948)
Change in trade payables	(3,167,391)	8,613,439
Change in financial assets and liabilities	1,834,215	14,611,192
Financial assets measured at fair value through other comprehensive income	(6,548)	(9,989,328)
Other assets mandatorily measured at fair value	1,837,022	18,675,607
Financial assets measured at amortised cost	3,741	5,924,913
Other changes:	(37,000,617)	2,394,478
Interests paid	(23,628,548)	(18,194,667)
Interests received	4,900,887	15,613,674
Other changes in other assets/other liabilities	(18,272,956)	4,975,471
Cash flows generated by operations	(6,406,601)	30,890,642
Investing activities		
Sales of equity investments	-	440,338
Dividends collected on equity investments	21,612,076	11,332,371
Purchases of property, plant and equipment	(2,418,326)	(209,370)
Purchases of intangible assets	(7,992,795)	(8,329,145)
Net cash flows used in investing activities	11,200,955	3,234,194
Funding activities		
Issues/purchases of treasury shares	-	(4,603,298)
Distribution of dividends and other	(39,548,940)	(20,806,647)
Loans obtained	-	300,000,000
Repayment of loans	-	(290,500,000)
Collections of loans disbursed	59,672,508	71,022,508
Payment of principal portion of lease liabilities	(3,248,855)	(4,903,772)
Changes in intercompany current account	(32,171,191)	-
Net cash flows used in funding activities	(15,296,478)	50,208,791
Net liquidity in the period	(10,502,124)	84,333,627
Reconciliation		
Cash and cash equivalents	124,860,577	40,526,950
Net liquidity in the period	(10,502,124)	84,333,627
Cash and cash equivalents at the end of the period	114,358,453	124,860,577

Illustrative Notes

Accounting policies



2

2.1 General information

<i>Name of the reporting entity or other means of identification:</i>	doValue S.p.A.
<i>Domicile 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>	Italia
<i>Description of the nature entity's operations and principal transactions:</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>LEI code of the reporting entity:</i>	8156007AF7DB5FE05555

STATEMENT OF COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

These Financial Statements as at December 31, 2022 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 2022 financial year.

The Separate 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 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 Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity and the Statement of Cash flows (prepared using the “indirect method”);
- the **Notes to the Financial Statements**;

and is accompanied by the relevant comparative information as at December 31, 2021, 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 Section “Main items of the financial statements” of these Notes to the financial statements.

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, 2022, 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, 2021.

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

Impacts of the COVID-19 pandemic and the military conflict in Ukraine

COVID-19 effects

The gradual normalisation of the health situation, partly as a result of the success of the vaccination campaign, albeit with different geographical methods and intensities, has allowed operators in the sector to return to more normal ways of carrying out collection activities.

In 2022, doValue maintained the controls identified to deal with the evolution of the pandemic from its early stages, in compliance with all applicable regulations, following their constant updating over time (e.g. the Business Continuity & Crisis Management Committee, strengthening of digital channels).

That being said, in accordance with the indications given by ESMA contained in the public statements, with a special reference to the last one issued in October 2022 "European common enforcement priorities for 2022 annual financial reports", and by CONSOB, referred to in the Warning Notices no. 6/20 of April 9, 2020, no. 8/20 of July 16, 2020 and no. 1/21 of February 16, 2021, the Company continued to carefully monitor the evolution of the situation in the main areas of interest and in the main countries in which it operates, in continuity with what was already indicated in the Financial Statements as at December 31, 2021, in order to assess, based on the specific business circumstances and the availability of reliable information, the relevance of the impact of COVID-19 on business activities, financial position and economic performance for the year 2022.

In this regard, there is no particular impact on the Company's operations and business, and therefore the final figures in 2022 are not significantly affected by the effects of the COVID-19 pandemic. In

particular, with regard to non-financial assets and their value adjustments (IAS 36) if any, there were no significant changes due to the COVID-19 pandemic that would need to be further considered with respect to December 31, 2021.

With regard to employees, the application of smart working was confirmed for all the Company's employees, alternating remote and in-person work in the Company's offices in compliance with regulations and with appropriate safeguards to protect the health of employees and the community. Finally, special attention is given to people in fragile situations.

Impacts of the conflict in Ukraine

In consideration of the continuing military and political tensions and the related negative impact on the global economy, doValue has taken a number of precautionary measures to identify, manage and, where necessary, mitigate the effects that could have an impact on the Company's business and results.

In accordance with the guidance provided by ESMA in its public statements:

- of May 13, 2022, "Implications of Russia's invasion of Ukraine on half-yearly financial reports";
- of October 28, 2022, "European common enforcement priorities for 2022 annual financial reports", which highlights the priorities for disclosure in annual reports;
- as well as with Consob Warning Notice no. 3/22 of May 19, 2022, the Company carried out an analysis of the direct and indirect impact in relation to the aforementioned conflict, the result of which leads us to believe that the impact on doValue to date can continue to be considered limited.

With regard to direct effects:

- the transaction flows underlying the Company's cash flows are not denominated in the currencies of the countries involved in the conflict;
- the Company does not do business with financial institutions that are subject to restrictions/sanctions imposed by the European Union and the international community;
- the Company does not do business with customers and suppliers located directly in the countries involved in the conflict;
- there are no significant positions managed through the mandated portfolios that are affected by the consequences of the conflict.

With regard to the indirect effects, mainly related to the deterioration of the key general economic indicators, such as inflation, growth rate and interest rate trends, the Company, in subjecting the controlling interests to impairment tests pursuant to IAS 36, did not highlight any significant changes compared to December 31, 2021.

The future developments and consequences of the Russia-Ukraine conflict one year after the start of the war are still unpredictable and will continue to be constantly monitored.

Going concern

In preparing the Financial Statements as at December 31, 2022, the Directors consider the going concern assumption appropriate as, in their opinion, although the environment is impacted by the combination of the remaining effects of the pandemic, inflation, rising interest rates, a deteriorating economic climate, geopolitical risks and uncertainties related to future developments, 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, despite the uncertainties linked to the macroeconomic and market environment; 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, 2022, 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, 2022. Estimates and assumptions are reviewed regularly.

In view of the presence of uncertainty in the macroeconomic and market environment, the assumptions made, even if reasonable, might not hold in future scenarios in which the Company may operate. Accordingly, future results may differ from the estimates made for the purpose of preparing the financial statements, with the consequent probable need to make adjustments that currently cannot be foreseen or estimated to the book value of the assets and liabilities recognised in the financial statements. Moreover, the uncertainties of the future macroeconomic framework in which doValue operates have required a careful analysis and weighting of the new context in the parameters and information used in the valuation models of the recoverable amount of the Company's assets. These estimates and valuations are therefore difficult and inevitably involve elements of uncertainty, even in the presence of stable macroeconomic conditions.

The following Sections discuss the key accounting policies for the purposes of providing a true and fair representation of the 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. This impairment testing is usually conducted by determining the recoverable value of the equity investments taken individually and verifying that this value is higher than the book value. The method adopted entails that the recoverable value is equal to the sum of:

- current value of the future profits generated over the selected time horizon;
- final value, or the value of the company at the end of the analytical flow forecast period.

Through the DCF method (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, the value in use was determined by considering the forward-looking information consistent with the new 2023 Budget, approved in December 2022, and the 2022-2024 Business Plan. 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 31 December 2022 of the equity investments of the subsidiaries doValue Spain and doValue Greece and did not reveal any impairment losses.

Specifically, the discounting rate used is the WACC (weighted average cost of capital), at 6.7% for Altamira and 8.0% 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 weighted 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 stress scenarios, there was no impairment in the equity investment in doValue Greece, while for that in Altamira, the sensitivity analysis must be performed with extreme and negative parameters completely unrelated to the macroeconomic context before recording an impairment loss.

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 basis based according to 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 preparation of these Financial Statements, the portion of servicing revenues without such manifest acceptance amounted to 33% of total amounts to be invoiced as at December 31, 2022 and to 13% 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 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 positions related to legal disputes (revocatory action and pending lawsuits) and tax disputes, is provided in the Liabilities Section of the Illustrative Notes dedicated to Provisions for risks and charges.

New accounting standards

For the preparation of these Financial Statements, the Company adopted for the first time certain accounting standards and amendments that are effective for financial years beginning on or after January 1, 2022, a list of which is provided below, noting that these changes have not materially affected the balance sheet or income statement amounts reported:

- Amendments issued by the IASB on May 14, 2020, to:
 - IFRS 3 Business Combinations: the reference in IFRS 3 to the revised Conceptual Framework has been updated without resulting in any changes to the provisions of the standard;

- IAS 16 Property, Plant and Equipment: does not allow the amount received from the sale of goods produced before the asset was ready for use to be deducted from the cost of the fixed asset. These sales revenues and related costs will be recognised in the income statement;
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets: clarifies which cost items should be considered when assessing whether a contract will be loss-making;
- Annual Improvements 2018-2020: amendments are made to the following accounting standards: Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter, Amendment to IFRS 9 Financial Instruments – “Fees in the “10 per cent” test for derecognition of financial liabilities”, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

On October 28, 2022, ESMA published its Public Statement announcing the priorities that listed issuers will need to focus on when preparing their IFRS 2022 financial statements, with a particular focus on climate issues, Russia's invasion of Ukraine and the macroeconomic environment in general.

On May 19, 2022, Consob published the Warning Notice (no. 3/22): Conflict in Ukraine - Warning Notice for supervised issuers on financial reporting and compliance with the restrictive measures adopted by the European Union against Russia.

The main accounting standards and interpretations that have been endorsed by the European Union but are not yet effective as at December 31, 2022 (as they will be effective from January 1, 2023) and for which the Group has not made use of the early application provisions, if any, are listed below:

- 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).

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

2.2 Main items of the financial statements

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 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 "Amortisation, depreciation 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 write-downs are recognised under Depreciation, amortisation and impairment in the 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 "Amortisation, depreciation and impairment".

EXPENDITURE FOR LEASEHOLD IMPROVEMENTS

Renovation costs for properties of which the entity is not the owner are capitalised in view of the fact that over the term of the lease the entity has control of the asset and future economic benefits will flow to the entity. These costs, which are classified under Property, plant and equipment, are amortised over a period that does not exceed the term of the lease contract.

EQUITY INVESTMENTS

The criteria for initial recognition and subsequent measurement of equity investments are governed by 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.

In particular, they are distinguished in:

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;
- 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.

Joint Ventures

A joint venture is an entity in relation to which it has:

- a joint control agreement;
- rights to the entity's net assets.

In particular, joint control exists when decisions relating to relevant activities require the unanimous consent of all parties sharing control.

Associates

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

- holds, directly or indirectly, at least 20% of the share capital of another entity,

or

- is able to exercise significant influence through:
 - representation on the governing body of the company;
 - participation in policy-making processes, including participation in decisions about dividends or other distributions;
 - material transactions between the entity and its investee;
 - interchange of managerial personnel;
 - provision of essential technical information.

Note that only companies that are governed through voting rights can be classified as subject to significant influence.

Investments in associates are measured using the equity method.

In accordance with IAS 36, the carrying amount of associates is tested as a single asset, comparing this with the recoverable amount (defined as the higher of its value in use and its fair value less costs of disposal).

Equity investments in associates include any goodwill (less any impairment loss) paid to purchase them. Participation in the post-acquisition profit and loss of associates is recognised in the income statement under "Profit (Loss) from equity investments". Any dividends distributed reduce the carrying amount of the equity investment.

If an associate's share of losses equals or exceeds the carrying amount of the investee, no further losses are recognised unless specific obligations have been incurred in favour of the associate or payments have been made in favour of the same.

Changes in valuation reserves of associates, recorded as a balancing entry to changes in the value of assets and liabilities for relevant phenomena, are shown separately in the Statement of Comprehensive Income.

RECOGNITION CRITERIA

Investments in subsidiaries, associates and joint ventures are initially recognised at fair value at the time of acquisition, which substantially corresponds to the purchase cost.

The purchase cost of an equity investment is determined as the sum:

- of the fair values at the acquisition date (coinciding with the price paid) of the assets sold, the liabilities assumed and the equity instruments issued by the acquirer, in exchange for control of the acquired company;

plus

- any cost directly attributable to the acquisition itself.

MEASUREMENT CRITERIA

If there is evidence that the value of an equity investment may have decreased, the recoverable amount of the investment is estimated.

If the recoverable amount is lower than the carrying amount, the difference is recognised in the income statement under "Profit (loss) from equity investments".

If the reasons for the impairment loss cease to apply due to an event occurring after the impairment was recognised, the impairment loss is reversed and charged to the income statement.

DERECOGNITION CRITERIA

Equity investments are derecognised when the contractual rights to the cash flows from the assets expire, when they are sold, transferring substantially all the risks and rewards connected with them, or when control of the equity investment is lost, having neither transferred nor retained substantially all the risks and benefits.

Profit and loss from the sale of equity investments are recorded in the income statement under "Profit (loss) from equity investments".

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 Company 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 other 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 Company 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.

Financial assets measured at amortised cost

RECOGNITION CRITERIA

The initial recognition of the financial asset takes place on the disbursement date of loans.

The initial value is equal to the fair value of the financial instrument, normally equal for loans to the amount disbursed including costs/income directly attributable to the financial instrument.

CLASSIFICATION CRITERIA

A financial asset is classified under financial assets measured at amortised cost if:

- intent of the business model is to hold assets in order to collect contractual cash flows ("Hold to Collect");
- the associated cash flows represent solely payments of principal and interest.

More specifically, assets recognised under this item include:

- the various technical forms of loans and receivables from banks that meet the requirements of the previous paragraph;
- the various technical forms of loans and receivables from customers that meet the requirements of the previous paragraph.

MEASUREMENT CRITERIA

Following initial recognition at fair value, these assets are measured at amortised cost, which involves the recognition of interest using the effective interest rate pro rata temporis over the term of the loan or receivable.

The carrying amount of financial assets measured at amortised cost is adjusted in order to take account of write-downs/write-backs resulting from the assessment process (impairment) and refer to the specific section "Impairment of financial assets".

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 Company 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.

INVENTORIES

The item reports property, plant and equipment classified under IAS 2 - Inventories regarding the real estate portfolio of the Company, which is held for sale.

MEASUREMENT CRITERIA

Properties undergoing renovation are measured at the lower of cost, plus expenses that increase their value and the capitalisable financial expenses, and the corresponding estimated realisable value, less the direct costs to sell.

Trading properties are measured at the lower of cost and estimated realisable value, determined from similar property transactions in terms of location and type. The estimated realisable value and the market value are determined on the basis of independent appraisals or any lower value at which Management is prepared to sell based on urban/land registry circumstances that do not correspond to the effective state of the property and legal issues (such as the illegal occupation of the properties). Any write-downs on the above appraisal are charged to the appropriate item in the income statement. If the reasons that led to the write-down of inventories cease to exist, write-downs recognised in previous periods are reversed through profit or loss up to the lower of cost and estimated realisable value.

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, adopting the 24% rate for IRES purposes.

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 for the period, 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.

ASSETS HELD FOR SALE

In accordance with IFRS 5, the Company classifies non-current assets and disposal groups as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through their continuing use. These non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and their fair value less selling costs. Selling costs are the additional costs directly attributable to the sale, excluding finance charges and taxes.

The condition for classification as held for sale is considered satisfied only when the sale is highly probable and the asset or disposal group is available for immediate sale in its current condition. The actions required to complete the sale should indicate that it is unlikely that significant changes in the sale will occur or that the sale will be cancelled. Management must have committed to the sale, which is expected to be completed within one year of the classification date.

The depreciation of property, plant and equipment and amortisation of intangible assets ceases when they are classified as available for sale.

The individual assets (or groups of assets held for sale) are recognised respectively under Assets held for sale and Liabilities associated with assets held for sale.

Assets held for sale are excluded from the result of operating activities and are presented in the income statement in a single line as Net income (expense) of assets held for sale.

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, 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.

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 shown in full under shareholders' equity reserves in the year in which they occur. These actuarial gains and losses are reported in the 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.

REVENUE RECOGNITION

Revenues represent the transfer of goods or services to customers and are recognised in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. They are recognised using the 5-step model (identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations; recognise the revenue when the entity satisfies the performance obligation).

Revenues from contractual obligations with customers are recognised in the income statement when it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. This consideration must be allocated to the individual performance obligations contained in the contract and must be recognised as revenue in the income statement based on the timing of satisfaction of the performance obligation.

Revenues can be recognised at a point in time or over time, as the entity satisfies the performance obligation. The consideration promised in the contract with the customer can include fixed amounts, variable amounts or both.

If the entity receives consideration from the customer, which provides for reimbursement to the customer, in whole or in part, of the revenue received, a liability must be recognised against the expected future repayments. The estimate of this liability is updated at each annual or interim reporting date and based on the portion of the consideration that the entity expects to not be entitled to.

If the entity receives payment or payment is due from the customer before control of the goods or services has been transferred to it, a contractual liability is recognised. Liabilities arising from contracts are recognised as revenue when the obligations to do so under the relevant contract are fulfilled (i.e. control of the goods or services has been transferred to the customer).

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. When preparing the annual or interim financial statements, therefore revenues accrued in the period that have not yet been manifestly accepted by the customer are recognised.

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.

DIVIDENDS

Dividends are recognised in the income statement of the year in which their distribution is authorised.

COSTS

Costs are recognised when they are incurred, on an accruals basis.

Impairment losses are recognised in the income statement of the year in which they are ascertained.

GOVERNMENT GRANTS

Government grants are recognised when there is reasonable certainty that they will be received and that all the conditions relating to them will be met. Grants related to cost components are recognised as revenues and systematically distributed between the years in order to be commensurate with the recognition of the costs they intend to offset. The contribution related to an activity is recognised as revenue on a straight-line basis over the expected useful life of the related asset.

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.

ACCRUALS AND DEFERRALS

Accruals and deferrals, which comprises charges and income pertaining to the period accrued on assets and liabilities, are recognised as an adjustment to the assets and liabilities to which they refer.

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.

RELEVANT IAS/IFRS DEFINITIONS

Several concepts relevant to IAS/IFRS, in addition to those already discussed in the previous chapters, are explained below.

AMORTISED COST

The amortised cost of a financial asset or liability is the amount at which it is measured at initial recognition minus the Principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any write-down or unrecoverability (impairment).

The effective interest rate method is a method for allocating interest income or expense over the life of a financial asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the life of the financial instrument to the net carrying amount of the financial asset or liability. The calculation includes all fees and basis points paid or received between parties of a contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Fees and commissions that are considered an integral part of the effective interest rate include initial fees received for the disbursement or acquisition of a financial asset not classified as measured at fair value, such as, for example, those received as compensation for the assessment of the debtor's financial condition, the evaluation and registration of guarantees and, more generally, the completion of the transaction.

Transaction costs, in turn, include fees and commissions paid to agents (including employees playing the role of commercial agents), consultants, mediators and other operators, contributions levied by regulatory bodies and stock markets, taxes and charges on the transfer. Transaction costs do not include lending costs or internal administrative or management costs.

2.2 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

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.

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.

EQUITIES

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.

FAIR VALUE HIERARCHY

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: ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS - BREAKDOWN BY FAIR VALUE LEVEL

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

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

- 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;
- Units in collective investment undertakings (CIUs): the equivalent of the amount paid for the subscription of the remaining 26 units of the Italian Recovery Fund (formerly Atlante II), reserved closed-end alternative real estate investment fund, net of redemptions;
- 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, 2022.

Level 3 of the category "Financial assets recognised at fair value through other comprehensive income" includes the value of the equity instruments relating to the aforementioned minority interest in the company BidX1 and those relative to the minority interest in the company QueroQuitar, for which doValue applies the option for the designation at fair value through other comprehensive income.

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.

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

- the Earn-out represented by the fair value of the liability relating to a portion of the acquisition price of Altamira now doValue Spain;
- 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)	12/31/2022			12/31/2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss	-	-	42,126	-	-	46,269
Units in collective investment undertakings	-	-	23,628	-	-	25,805
Debt securities	-	-	18,145	-	-	18,881
Non-hedging derivatives			353	-	-	1,583
Financial assets measured at fair value through comprehensive income	-	-	10,171	-	-	9,989
Government securities	-	-	10,171	-	-	9,989
Total	-	-	52,297	-	-	56,258
Other financial liabilities	-	-	44,648	-	-	23,044
Earn-out	-	-	44,648	-	-	23,044
Total	-	-	44,648	-	-	23,044

Information on the Balance Sheet



3

3.1 Assets

NOTE 1 – INTANGIBLE ASSETS

Changes in the period are reported in the following table.

(€/000)	Software	Brands	Assets under development and payments on account	Goodwill	Other intangible assets	Total 12/31/2022	Total 12/31/2021
Gross opening balances	31,192	72	2,876	-	-	34,140	25,989
Initial reduction in value	(20,756)	(12)	-	-	-	(20,768)	(16,435)
Net opening balances	10,436	60	2,876	-	-	13,372	9,554
Changes in gross balance	9,011	-	1,398	-	-	10,409	8,151
Purchases	7,105	-	3,304	-	-	10,409	8,329
Other changes	1,906	-	(1,906)	-	-	-	(178)
Changes in reduction in value	(5,870)	(4)	-	-	-	(5,874)	(4,333)
Amortisation	(5,870)	(4)	-	-	-	(5,874)	(4,406)
Other changes	-	-	-	-	-	-	73
Gross closing balances	40,203	72	4,274	-	-	44,549	34,140
Final reduction in value	(26,626)	(16)	-	-	-	(26,642)	(20,768)
Net closing balances	13,577	56	4,274	-	-	17,907	13,372

The **changes of gross balances** in the year are mainly due to new software developments, mainly related to business applications for the management of non-performing positions, as well as for the implementation of management and accounting applications.

The **changes in reduction in value** in the year are essentially attributable to the amortisation charge for the period.

NOTE 2 – PROPERTY, PLANT AND EQUIPMENT

(€/000)	Buildings	Furniture	Electronic system	Assets under development and payments on account	Other	Total 12/31/2022	Total 12/31/2021
Gross opening balances	19,427	2,036	6,362	-	4,658	32,483	33,408
Initial reduction in value	(14,229)	(1,768)	(1,577)	-	(7,415)	(24,989)	(18,788)
Net opening balances	5,198	268	4,785	-	(2,757)	7,494	14,620
Initial adjustments	-	-	-	-	-	-	-
Changes in gross balances	6,688	(15)	4,394	-	(4,105)	6,962	(925)
Purchases	12,521	7	4,445	-	215	17,188	527
<i>of which: Right of use</i>	12,519	-	4,437	-	115	17,071	318
Disposals	-	-	-	-	-	-	-
Business combination	-	-	-	-	-	-	-
Capitalised expenditure on improvements	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-
Write-backs	-	-	-	-	-	-	-
Other changes	(5,833)	(22)	(51)	-	(4,320)	(10,226)	(1,452)
Changes in reduction in value	2,312	(99)	(1,747)	-	2,992	3,458	(6,201)
Amortisation	(3,227)	(114)	(1,798)	-	(1,276)	(6,415)	(7,071)
<i>of which: Right of use</i>	(2,891)	-	(1,676)	-	(1,041)	(5,608)	(6,142)
Business combination	-	-	-	-	-	-	-
Other changes	5,539	15	51	-	4,268	9,873	870
Gross closing balances	26,115	2,021	10,756	-	553	39,445	32,483
Final reduction in value	(11,917)	(1,867)	(3,324)	-	(4,423)	(21,531)	(24,989)
Net closing balances	14,198	154	7,432	-	(3,870)	17,914	7,494

During the year, the item recorded an overall increase of €10.4 million, from €7.5 million to €17.9 million.

The changes in gross balances, totalling €7.0 million, are made up of new purchases for €17.2 million, mostly dedicated to buildings and new technological infrastructure, with an impact on the category of electronic systems.

The “Other changes” in gross balances must be read together with the related component included under changes in reduction in value. For the “Buildings” category, these two components represent the write-off of the right of use and the related accumulated depreciation of two properties in use in Rome and Milan, which was made possible thanks to logistics efficiency and the organisation of the work through the use of smart-working.

Changes in reduction in value for the period also include amortisation of €6.4 million, including €5.6 million relating 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	Rapporto di partecipazione			
			Type of Relationship ⁽¹⁾	Held by	Holding %	Voting rights % ⁽²⁾
1. doValue S.p.A.	Verona	Italy		Controllante		
2. doNext S.p.A. (formerly Italfondario 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. (formerly Altamira Asset Management S.A.)	Madrid	Spain	1	doValue S.p.A.	85%	85%
5. doValue Portugal, Unipessoal Limitada	Lisbon	Portugal	1	Altamira Asset Management S.A.	100%	100%
6. Altamira Asset Management Cyprus Limited	Nicosia	Cyprus	1	Altamira Asset Management S.A.	100%	100%
7. doValue Cyprus Limited	Nicosia	Cyprus	1	doValue S.p.A. + Altamira AM 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	Altamira Asset Management 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 = centralised management pursuant to Article 39, paragraph 1, of Italian Legislative Decree 136/2015

6 = centralised management pursuant to Article 39, paragraph 2, of Italian Legislative Decree 136/2015

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

Change

Description	Opening balance	Business combination	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	137,081	-	22,140	-	-	159,221
doValue Spain Servicing S.A. (formerly Altamira Asset Management S.A.)	208,587	-	384	-	-	208,971
doValue Greece Real Estate Services single member Société Anonyme	2,000	-	26	-	-	2,026
Closing balance	351,879	-	22,550	-	-	374,429

The item exclusively includes investments in subsidiaries.

In the period there was an increase of €22.5 million due to the effect of the changes related to the following phenomena:

- increase of €21.6 million in the value of the equity investment in doValue Greece Loans and Credits Claim Management due to the increase in the fair value of the Earn-out liability;
- increase of €0.9 million in the value of the equity investments in dovalue Spain Servicing and doValue Greece Loans and Credits Claim Management and doValue Cyprus, respectively in the amount of €0.4 million, €0.5 million and €0.03 million, due to the share of remuneration in the form of the allocation of shares of doValue, allocated to certain categories of managers of these investee companies, 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)	12/31/2022	12/31/2021
Non-current financial assets	123,783	166,894
Financial assets measured at fair value through profit or loss	42,126	44,753
Units in collective investment undertakings	23,628	25,805
Debt securities	18,145	18,881
Non-hedging derivatives	353	67
Financial assets measured at amortised cost	71,486	112,152
Loans to customers	71,486	112,152
Financial assets measured at fair value through other comprehensive income	10,171	9,989
Equities	10,171	9,989
Current financial assets	74,692	60,401
Financial assets measured at fair value through profit or loss	-	1,516
Non-hedging derivatives	-	1,516
Financial assets measured at amortised cost	74,692	58,885
Loans to customers	40,757	58,885
Loan assets on intercompany current account	33,935	-
Total	198,475	227,295

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

UCITS units relate to 26 units of the restricted closed-end alternative securities investment fund denominated Italian Recovery Fund (formerly Atlante II). Partial repayments of €1.5 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 UCITS units, determined through a credit adjustment of the NAV based on the specific characteristics communicated by the Fund, showed a negative difference of €0.7 million compared to the previous year.

Debt securities decreased by €0.7 million, of which €0.6 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 €13.5 million by the ABS securities of the Cairo securitisations acquired as part of the acquisition of Eurobank-FPS (now doValue Greece), for €2.3 million by the value of the ABS securities relating to the Romeo SPV and Mercuzio Securitisation securitisations and, for €2.3 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 recognized at fair value through other comprehensive income.

Under **non-current financial assets measured at amortised cost**, the decrease of €40.7 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 €18.5 million) and the increase in the amortised cost of the latter loan (for €0.5 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;
- €8.7 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. In December 2022, doValue exercised its option to purchase 5,635 shares at a price of £1 for a value of €6,548.30, thereby increasing its stake to 15.2% in 2021. This transaction, together with the related fair value measurement updated as at December 31, 2022, resulted in an overall increase of €0.2 million on the BidX1 equity.

As regards current **financial assets**, there was an increase of €14.3 million due to the combined effect of the following changes:

- the elimination of €1.5 million of the item Financial assets measured at fair value through profit or loss following the exercise of the purchase option in BidX1 described above;
- the decrease of €18.1 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 €59.7 million), the reclassification to current items (for €41.2 million) and the increase in amortised cost (for €0.4 million);
- the increase of €33.9 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. ("Romeo") 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 value of notes equal to 5% of the total securities issued in order 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 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 Article 11 of Italian Legislative Decree 59 of May 3, 2016, ratified with Italian 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.

This law provides as follows: the portion that should have been deducted in the 2022 financial year is deferred to the current tax period as at December 31, 2023, and to the three following years. In this regard, it should be noted that the deferral affects only the 12% deduction originally envisaged by the Italian Law Decree no. 83/2015, but not also the 3% deduction envisaged by Article 1, paragraph 712, of Italian Law no. 160/2019, which instead remains deductible according to the "normal" time frame. Moreover, to partially mitigate the effects deriving from this deferral, paragraph 1-bis of Article 42 amends paragraph 1056 of Italian Law no. 145/2018, establishing that 53% of the 10% share pertaining to 2019 and deferred for IRES and IRAP purposes to 2026 is brought forward to December 31, 2022; for the remaining portion (47%), the deductibility of the portion itself remains fixed at 2026.

The pre-2015 recovery plan of adjustments is now the following as a result of Italian Law Decree no. 17/2022: 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% (3% + 5.3%) in the current tax period as at December 31, 2022; 18% (12% + 3% + 3%) for the current tax period as at December 31, 2023; 18% (12% + 3% + 3%) for the current tax period as at December 31, 2024; 11% (5% + 3% + 3%) for the current tax period as at December 31, 2025; 7.7% for the current tax period as at December 31, 2026. At the time of the conversion, the original regulation of Italian Law Decree no. 17/2022 (which envisaged the deferral of the portion to be reversed in 2021) was amended in two respects: i) on the one hand, the deferral to the 2022 portion instead of the 2021 portion was envisaged; ii) on the other hand, the deduction of the 2019 portion deferred to 2026 was partially brought forward to 2022.

As a result of these law provisions, the amount of the deferred tax assets recognised in the financial statements will begin to change starting from 2023 instead of 2022.

With regard to the provisions of IAS 12, 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, performed on figures as at December 31, 2022, took account of the 2022-2024 Business Plan of the 2023 budget, which showed a large tax base that confirms its ability to absorb the deferred tax assets recorded.

As at December 31, 2022, additional DTAs totalling €2.4 million were recognised. This increase was more than offset by lower deferred tax assets relating to the cancellations of prepaid taxes for the period for €4.5 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, €3.0 million of DTAs are not recognised 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.

IRES and IRAP taxation has been calculated by applying the tax rates established by the laws in force, adopting the 24% rate for IRES purposes.

With regard to the calculation of the IRAP (regional business tax) rate as at December 31, 2022, 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)	12/31/2022	12/31/2021
Tax recyclable to profit or loss	59,659	61,728
Write-downs of loans	49,330	49,329
Tax losses carried forward	4,611	6,680
Provisions for risks and charges	3,500	3,485
Property, plant and equipment/intangible assets	326	205
Administrative expenses	6	43
Other assets/liabilities	1,886	1,986
Tax not recyclable to profit or loss	316	449
Defined-benefit plans	316	449
Total	59,975	62,177

Change

(€/000)	Income Statement	Recognised in shareholders' equity	Total 12/31/2022	Total 12/31/2021
Opening balance	61,728	449	62,177	61,238
Increases	2,432	-	2,432	3,722
Deferred tax assets recognised during the year	2,432	-	2,432	3,401
- In respect of previous years	1,005	-	1,005	-
- Other	1,427	-	1,427	3,401
Other changes	-	-	-	321
Decreases	(4,501)	(133)	(4,634)	(2,783)
Deferred tax assets derecognised during the year	(4,502)	-	(4,502)	(2,708)
- Reversals of temporary differences	(4,502)	-	(4,502)	(2,708)
Other changes	1	(133)	(132)	(75)
Total	59,659	316	59,975	62,177

Deferred tax liabilities Breakdown

(€/000)	12/31/2022	12/31/2021
Provisions recognised through Shareholders' Equity	20	20
Total	20	20

Change

(€/000)

	Income Statement	Recognised in shareholders' equity	Total 12/31/2022	Total 12/31/2021
Net opening balances	-	20	20	20
Initial adjustments	-	-	-	-
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)

	12/31/2022	12/31/2021
Other non-current assets	303	229
Other current assets	6,258	6,039
Accrued income/prepaid expenses	1,491	1,703
Items for employees	750	867
Receivables for advances	2,069	1,528
Tax receivables	1,661	1,529
Other items	287	412
Total	6,561	6,268

The item overall shows an increase of €0.3 million compared to December 31, 2021, mainly due to the combined effect of an increase in receivables for advances (for €0.5 million) and tax receivables (for €0.1 million) and a reduction in prepaid expenses on general expenses (for €0.2 million), in items relating to employees (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, 2022, the item amounted to €55 thousand, unchanged with respect to December 31, 2021. It refers to the Company's real estate portfolio composed of the value of two buildings.

NOTE 8 – TRADE RECEIVABLES

(€/000)	12/31/2022	12/31/2021
Receivables	84,793	73,955
Receivables accruing (Invoices to be issued)	68,168	62,950
Receivables for invoices issued but not collected	16,625	11,005
Provisions	(727)	(673)
Provisions for expected losses on receivables	(727)	(673)
Total	84,066	73,282

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 increase of €10.8 million compared to the balance as at December 31, 2021, mainly attributable to the effect of higher allocations made to 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 48%, up from 43% in the previous year.

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

NOTE 9 – TAX ASSETS AND TAX LIABILITIES

The following table provides a breakdown of tax assets and tax payables.

TAX ASSETS

(€/000)	12/31/2022	12/31/2021
Current tax assets	4,025	5,512
VAT asset		148
TOTAL	4,025	5,660

The reduction in the item, which fell from €5.7 million to €4.0 million as at December 31, 2022, is mainly due to the decrease in Current tax assets of €1.5 million.

TAX LIABILITIES

(€/000)	12/31/2022	12/31/2021
VAT liability	313	-
Withholding taxes and others	1,933	2,679
Total	2,246	2,679

The decrease in the item is mainly due to the decrease in payables to the tax authorities for withholdings on employees to be paid, in the amount of €0.7 million, partially offset by the increase in the VAT liability for €0.3 million.

NOTE 10 – CASH AND CASH EQUIVALENTS

The balance of €114.4 million, representing an increase of €10.5 million compared with the balance of €124.9 million reported as at December 31, 2021, represents the liquidity available at the end of the 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 special purpose vehicles (SPV) which the Company intends to liquidate or sell to third parties.

During the year, the liquidation was defined of two of the three SPVs based in Italy present at December 31, 2021. Therefore, the value as at December 31, 2022 corresponds to only one SPV based in Italy.

(€/000)	12/31/2022	12/31/2021
<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	-	-
Other non-current liabilities	-	-
Total non-current liabilities	-	-
<u>Current liabilities:</u>		
Loans and other financing	-	-
Other current financial liabilities	-	-
Trade payables	-	-
Tax liabilities	-	-
Other current liabilities	-	-
Total current liabilities	-	-
Total liabilities associated with assets held for sale	-	-

3.2 Liabilities and Shareholders' Equity

NOTE 12 – SHAREHOLDERS' EQUITY

As at December 31, 2022, the subscribed and paid-up share capital of doValue 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.

(no. of shares)	12/31/2022	12/31/2021
Ordinary shares issued	80,000,000	80,000,000
Treasury shares	(900,434)	(972,339)
Total shares outstanding	79,099,566	79,027,661

Treasury shares, shown as a direct reduction of Shareholders' Equity, amounted to €4.3 million, compared to €4.7 million in the previous year.

The following table provides information on the changes in the number of treasury shares held, showing a decrease during the year as a result of 71,905 performance stock grants (for a value of €346 thousand), which were allocated by doValue to the beneficiaries at the time of the 2021 incentive system, in accordance with the 2021 Remuneration Policy.

As at December 31, 2022, the number of treasury shares is 1.13% number of issued ordinary shares.

(no. of treasury shares)	12/31/2022	12/31/2021
Opening balance	972,339	651,542
Purchases	-	500,000
Transfers due to exercise of performance stock grants	(71,905)	(179,203)
Closing balance	900,434	972,339

The **valuation reserve** as at December 31, 2022, amounted to a negative value of -€1.0 million, (-€178 thousand as at December 31, 2021) 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)	12/31/2022	12/31/2021
<u>Reserves from allocation of profits or tax-suspended reserves</u>	<u>25,211</u>	<u>50,301</u>
Legal reserve	8,256	8,256
Reserve art. 7 Italian Law 218/90	2,304	2,304
Tax-suspended reserve from business combinations	2	2
Reserve from FTA IAS art. 7 par. 7 Italian Legislative 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 Italian Legislative Decree 38/2005	(9,145)	(9,145)
Reserve from retained earnings	-	25,531
Reserve established in by laws for purchase of treasury shares	-	75
Reserve from retained earnings - Share Based Payments	13,886	13,370
<u>Other reserves</u>	<u>109,658</u>	<u>119,731</u>
Extraordinary reserve	88,417	102,970
Reserve, Italian Legislative Decree no. 153/99	6,103	6,103
Legal reserve for distributed earnings	44	44
Reserve art. 7 Italian Law 218/90	4,179	4,179
Reserve from business combinations	1,746	1,746
Share Based Payments Reserve	9,169	4,689
Total	134,869	170,032

Overall, the item shows a decrease of around €35.2 million due to the combination of the following main elements:

- €39.5 million decrease mainly related to the dividends that the Shareholders' Meeting of April 28, 2022, resolved to distribute (of which €39.1 million was paid on December 31, 2022): using €25.0 million from the **reserve from retained earnings** and €14.5 million from the **extraordinary reserve**;
- €5.0 million net increase of the **Share Based Payments** reserves accounted for pursuant to IFRS 2 in implementation of the post-IPO remuneration policy, which provides for the grant of shares as remuneration to certain categories of managers.

ORIGIN, UTILISABILITY AND DISTRIBUTABILITY OF SHAREHOLDERS' EQUITY ITEMS

(€)	Amount	Possibility of use (*)	Available portion	Summary of utilisation in last three financial years	
				To cover losses	For other reasons
<u>Reserves from allocation of profits or tax-suspended reserves</u>	<u>41,280,000</u>				
<u>Reserves from allocation of profits or tax-suspended reserves</u>	<u>134,868,962</u>		<u>106,720,688</u>	<u>(534,919)</u>	<u>(78,233,823)</u>
Legal reserve	8,256,000	B	8,256,000	-	-
Legal reserve for distributed earnings	43,862	A, B, C	43,862	-	-
Reserve art. 7 Italian 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 Italian Legislative Decree 38/2005	8,780,082		-	-	-
Reserve from FTA IAS IFRS 9	1,126,135		-	-	-
Reserve from retained earnings IAS art. 6 par. 2 Italian Legislative Decree 38/2005	(9,145,318)		-	-	-
Reserve from retained earnings	1	A, B, C	1	(534,919)	(63,502,882) (2)
Reserve established in by laws for purchase of treasury shares	-		-	-	(178,002) (3)
Reserve from retained earnings - Share Based Payments	13,887,302		-	-	-
Extraordinary reserve	88,417,468	A, B, C	84,085,310	-	(14,552,939) (2)
Reserve, Italian Legislative Decree no. 153/99	6,103,231	A, B, C	6,103,231	-	-
Share Based Payments Reserve	9,167,915		-	-	-
<u>Valuation reserves</u>	<u>(1,097,662)</u>		<u>429,146</u>	<u>-</u>	<u>-</u>
Monetary revaluation reserves Italian Law 413/91	429,146	A, B, C (1)	429,146	-	-
Reserve for actuarial gains (losses) on defined-benefits schemes	(185,323)		-	-	-
Reserve for revaluation of financial assets	(1,341,485)		-	-	-
Total	175,051,300		107,149,834	(534,919)	(78,233,823)
Portion non-distributable	-		8,256,000	-	-
Residual distributable portion	-		98,893,834	-	(14,552,939)

Key:

(*): 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 Italian Civil Code. If the reserve is not recognised to shareholders' equity, it can only be reduced with observation of provisions 2 and 3 under article 2445 of the Italian Civil Code.

(2) Reserve used for distribution to shareholders.

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

NOTE 13 – LOANS AND OTHER FINANCING

(€/000)

	Interest Rate %	Due Date	12/31/2022	12/31/2021
Non-current loans and other financing			554,219	550,858
Bonds	5%	08/04/2025	258,055	255,674
Bonds	3.375%	07/31/2026	296,164	295,184
Current loans and other financing			11,458	10,034
Bank loans		on demand	125	41
Liabilities on intercompany current accounts		on demand	1,593	-
Bonds	5%	02/01/2023	5,521	5,521
Bonds	3.375%	01/31/2023	4,219	4,472
Total			565,677	560,892

The balance of loans and other financing as at December 31, 2022, includes the residual debt values at amortised cost of the following loans (current and non-current portions):

- €263.6 million for the guaranteed senior bond loan issued on August 4, 2020, at the annual rate of 5% for a principal of €265.0 million and used to repay the bridge loan in the context of the acquisition of doValue Greece. The bonds expire on August 4, 2025, and were reserved for qualified investors and are listed on the Euro MTF multilateral trading system of the Luxembourg Stock Exchange;
- €300.4 million for the guaranteed senior bond loan issued on July 22, 2021, maturing in 2026, for a principal amount of € 300.0 million at an annual fixed rate of 3.375%, 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.

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 €1.6 million of payables relating to the intercompany current account to the subsidiaries doNext and doData.

NOTE 14 – OTHER FINANCIAL LIABILITIES

(€/000)

	12/31/2022	12/31/2021
Other non-current financial liabilities		
Lease liabilities	11,593	2,126
Earn-out	16,048	5,555
Other current financial liabilities		
Lease liabilities	4,850	2,980
Earn-out	28,600	17,489
Total	61,091	28,150

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 €16.0 million under other non-current financial liabilities as well as €11.1 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. This component shows an overall increase of € 21.6 million compared to the previous year as a result of the strong economic performance in Greece in 2022, which led doValue to recognise a higher value of this liability.

The remaining Earn-out portion recognised under current financial liabilities (€17.5 million) is related to the portion of the acquisition price of doValue Spain.

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, 2022, breaks down as follows.

(€/000)

Note		12/31/2022	12/31/2021
10	A Cash on hand	4	3
10	B Cash at banks and short-term deposits	114,354	124,858
-	C Trading securities	-	-
	D Liquidity (A)+(B)+(C)	114,358	124,861
4	E Current financial assets	74,692	60,401
13	F Current bank debt	-	-
13	G Current portion of non-current debt	(9,865)	(10,034)
13	H Liabilities on intercompany current accounts	(1,593)	
14	I Other current financial debt	(33,450)	(20,469)
	J Current financial indebtedness (F)+(G)+(H)	(44,908)	(30,503)
	K Net current financial indebtedness (I)+(E)+(D)	144,142	154,759
13	L Bank loan, non-current	-	-
13	M Bond Issued	(554,220)	(550,859)
14	N Other non-current financial debt	(27,640)	(7,680)
4	O Other non-current loans	70,930	111,605
	P Non-current financial indebtedness (K)+(L)+(M)+(N)	(510,930)	(446,934)
	Q Net financial indebtedness (J)+(O)	(366,788)	(292,175)

Compared with the Net Financial Position of €305.7 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 €61.1 million.

The following table reconciles the two different representations:

(€/000)

	12/31/2022	12/31/2021
A Net financial indebtedness	(366,788)	(292,175)
B Other current financial debt	33,450	20,469
C Other non-current loans	27,640	7,680
D Items excluded from the Net financial position	61,090	28,149
E Deposits from customers	-	-
F Items included in the Net financial position and excluded from the Net financial indebtedness	-	-
G Net financial position (A)+(D)+(F)	(305,698)	(264,026)

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 Company 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 3.0% - 5 years 3.5% - 15 years 3.9%
Salary increase rate	2.60%
Inflation rate	1 year 4.5% - 10 years 2.6% - 30 years 2.6%
Mortality	IPS55
Advanced termination benefit	1.50%
Average annual percentage of personnel leaving	3.62%
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)	12/31/2022	12/31/2021
Opening balance	5,950	6,017
<u>Increases</u>	<u>43</u>	<u>205</u>
Provisions for the year	43	30
Other changes	-	175
<u>Decreases</u>	<u>(1,429)</u>	<u>(272)</u>
Benefits paid	(870)	(264)
Other changes	(559)	(8)
Closing balance	4,564	5,950

Overall, this item decreased of approximately €1.4 million compared to December 31, 2021.

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)

	Funds against the item "Provisions for risk and charges" of the income statement				Funds against other items of the income statement	Total 12/31/2022	Total 12/31/2021
	Legal disputes	Out-of-court disputes and other provisions for risks	Provisions for other commitments and guarantees issued	Total Funds against the item "Provisions for risk and charges" of the income statement	Potential liabilities for employees		
Opening balance	6,391	6,853	-	13,244	673	13,917	17,390
Increases	1,666	3,930	-	5,596	49	5,645	5,627
Provisions for the year	1,638	3,828	-	5,466	44	5,510	5,485
Changes due to the passage of time and changes in the discount rate	25	76	-	101	5	106	-
Other changes	3	26	-	29	-	29	142
Decreases	(3,436)	(2,102)	-	(5,538)	(208)	(5,746)	(9,100)
Reallocations of the year	(1,722)	(1,403)	-	(3,125)	-	(3,125)	(2,839)
Utilisation for payment	(1,714)	(696)	-	(2,410)	(19)	(2,429)	(6,119)
Other changes	-	(3)	-	(3)	(189)	(192)	(142)
Closing balance	4,621	8,681	-	13,302	514	13,816	13,917

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 decreased by €1.8 million owing to the greater impact of the settlement of a number of disputes compared with provisions for new disputes.

The item **out-of-court disputes and other risk provisions** increased by €1.8 million, moving from €6.9 million as at December 31, 2021 to €8.7 million as at December 31, 2022, and mainly includes provisions for risks for which no litigation has currently been activated.

The item **potential liabilities for employees** includes provisions recorded against seniority bonuses.

NOTE 17 – TRADE PAYABLES

(€/000)	12/31/2022	12/31/2021
Payables to suppliers for invoices to be received	17,990	20,122
Payables to suppliers for invoices to be paid	2,469	3,505
Total	20,459	23,627

The item, which includes payables to suppliers for invoices to be received and for those received but not yet paid, decreased compared to December 31, 2021 by €3.2 million (-13%).

NOTE 18 – OTHER LIABILITIES

(€/000)	12/31/2022	12/31/2021
Other non-current liabilities	2,364	168
Amounts to be paid to third parties	2,008	-
Deferral of government grants related to assets	356	168
Other current liabilities	17,348	31,049
Amounts to be paid to third parties	849	644
Amounts due to personnel	9,856	15,254
<i>o.w. employees</i>	8,856	13,904
<i>o.w. members of Board of Directors and Auditors</i>	1,000	1,350
Amounts due to pension and social security institutions	2,656	2,779
Items being processed	1,381	10,040
Deferral of government grants related to assets	352	121
Other accrued expenses/deferred income	357	275
Other items	1,897	1,936
Total	19,712	31,217

As at December 31, 2022, the item amounted to €19.7 million compared to €31.2 million in 2021, with an overall decrease of €11.5 million.

With regard to **other non-current liabilities**, up by €2.2 million, the main component "Amounts to be paid to third parties" refers to the recognition of €2.0 million of liabilities relating to the acquisition of software with medium/long-term contracts.

The item **other current liabilities** shows an overall decrease of €13.7 million, essentially due to the effect of the changes undergone by the following main components.

"Amounts due to personnel" decreased by €5.4 million, mainly due to the payment of MBO bonuses related to the 2021 incentive system and early retirement incentives.

"Items being processed" decreased by €8.6 million due to the effect of the payment of the payable to Eurobank recognised in 2021 following the recalculation of the Net Economic Benefit under the Share Purchase Agreement as an adjustment to the acquisition price of the subsidiary doValue Greece.

NOTE 19 – SHARE-BASED PAYMENTS

The Shareholders' Meeting of doValue on April 28, 2022, approved the Report on the 2022-2024 Remuneration policy (hereinafter "the Policy") and remuneration paid in 2021 related to doValue S.p.A., applicable to Directors, Key Management Personnel and Members of Supervisory Bodies. The new 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.

With a view to a three-year policy, the main characteristics of the 2021 Remuneration Policy are confirmed, while introducing some 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 the value of doValue's shares ("Performance shares") and based on the assignment with a 3-year vesting period. The 2022-2024 cycle objective is aligned with the 2022-2024 Business Plan, while the objectives for the 2023-2025 and 2024-2026 cycles will be established at the beginning of 2023 and 2024. The plans grant beneficiaries the right to receive, on a revolving basis, free company shares if a certain set of return conditions is met 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.

doValue 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. In order to reflect the levels of performance and risk actually taken on, and to take account of the individual contribution of the beneficiaries, the Company applies ex-post correction mechanisms (malus and claw-back clauses) defined in accordance with the provisions of the reference national collective bargaining agreements, where applicable, or any individual agreements/mandates.

	Grant date	Performance period	Verification of target achievement	Payout
2021 Plan (Shareholders' Meeting of 4/28/2021)	02/17/2022	2021-2023	2024	2024
2022 Plan (Shareholders' Meeting of 4/28/2022)	11/09/2022	2022-2024	2025	2025

	Number of shares granted at the grant date	Fair value per share at the grant date	Number of shares available for award	Number of beneficiaries
2021 Plan (Shareholders' Meeting of 4/28/2021)	206,388	€10.23	268,812	29
2022 Plan (Shareholders' Meeting of 4/28/2022)	289,794	€7.66	376,100	33

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 doValue www.dovalue.it ("Governance/Remuneration" section).

The amount recognised in the income statement for 2022 amounts to €5.6 million, with a corresponding amount reflected in a specific shareholders' equity reserve, which also includes the portion of treasury shares held by foreign subsidiaries (€0.9 million) recorded under Equity Investments.

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 leases, while none envisage variable payments.

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

(€/000)	Buildings	Furniture	Electronic system	Other tangible assets	Total 12/31/2022	Total 12/31/2021
Opening balance	4,582	-	-	1,210	5,792	12,199
Increases	6,686	-	4,437	(4,168)	6,955	318
Purchases	12,519	-	4,437	115	17,071	318
Other changes	(5,833)	-	-	(4,283)	(10,116)	-
Decreases	2,648	-	(1,676)	3,196	4,168	(6,725)
Amortisation	(2,891)	-	(1,676)	(1,041)	(5,608)	(6,142)
Other changes	5,539	-	-	4,237	9,776	(583)
Closing balance	13,916	-	2,761	238	16,915	5,792

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

(€/000)	12/31/2022	12/31/2021
Opening balance	5,106	10,935
Increases	14,979	540
New liabilities	14,745	318
Financial expenses	226	218
Other changes	8	4
Decreases	(3,642)	(6,369)
Payments	(3,248)	(4,904)
Other changes	(394)	(1,465)
Closing balance	16,443	5,106
o.w.: Non-current lease liabilities	11,593	2,126
o.w.: Current lease liabilities	4,850	2,980

The increases of €15.0 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:

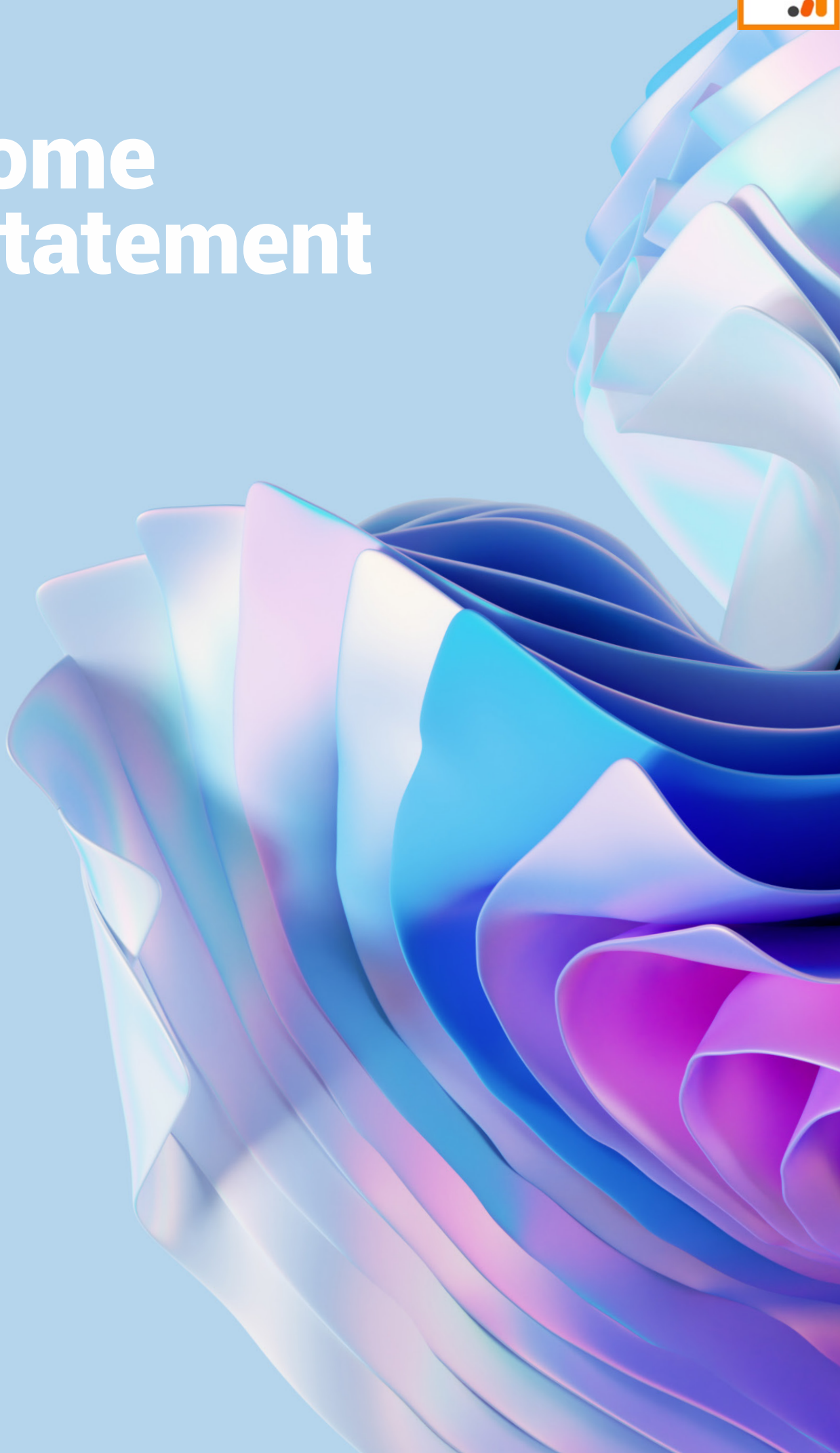
(€/000)	12/31/2022	12/31/2021
Amortisation of right-of-use assets	5,608	6,143
Financial expenses from lease liabilities	226	218
Total	5,834	6,361

The Company also holds lease contracts for certain electronic systems (hardware) 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)	12/31/2022	12/31/2021
Costs relating to short-term leases	(25)	(11)
Costs relating to lease of assets with a low unit value	-	-
Total	(25)	(11)



Income Statement



4

NOTE 21 – REVENUE FROM CONTRACTS WITH CUSTOMERS

(€/000)	12/31/2022	12/31/2021
Servicing services	23,430	38,295
Servicing for securitisations	118,438	104,320
Total	141,868	142,615

Overall, the item recorded a slight decrease compared to December 31, 2021, equal to -1%.

This result derives from lower revenues recorded in the component of **servicing services** (-39%), substantially offset by the positive performance of **servicing services for securitisation** (+14%).

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 as 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 recognised 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)	12/31/2022	12/31/2021
Administrative Servicing/Corporate Services Provider	21,603	15,112
Recovery of expenses	7,239	8,860
Due diligence & Advisory	2,044	489
Other revenues	1,038	2,036
Total	31,924	26,497

The item shows an increase of 20% compared to December 31, 2021 mainly due to the increase in revenues relating to **Administrative Services/Corporate Services Providers**, which include the new "Master Legal" business line, as well as a higher income from **Due diligence & Advisory** activities partially offset by the decrease in revenues from **Recovery of expenses** and from ancillary services included in the **other revenues** category.

NOTE 23 – COSTS FOR SERVICES RENDERED

(€/000)	12/31/2022	12/31/2021
Costs for management of agency contracts	(7,685)	(10,410)
Costs for services	(95)	(273)
Total	(7,780)	(10,683)

The item, which includes the fees of the network dedicated to collection, shows a decrease of 27% compared to December 31, 2021, mainly relating to the category **costs for management of agency contracts** and is justified by lower collections made through the external network.

NOTE 24 – PERSONNEL EXPENSES

(€/000)	12/31/2022	12/31/2021
Payroll employees	(75,755)	(84,148)
Members of Board of Directors and Board of Auditors	(6,679)	(4,968)
Other personnel	(4,277)	(4,069)
Total	(86,711)	(93,185)

AVERAGE NUMBER OF EMPLOYEES BY CATEGORY

	12/31/2022	12/31/2021
Payroll employees	929	954
a) Executives	41	43
b) Managers	381	396
c) Other employees	507	515
Other staff	12	11
Total	941	965

The item recorded a decrease of 7% compared to December 31, 2021, deriving from the decrease in the personnel costs (-10%), following the efficiency programme envisaged in the approved Business Plan, offset by the increase in costs for directors and statutory auditors and other personnel.

In line with the objectives of the 2022-2024 Business Plan, personnel expenses include charges related to early retirement incentives (€2.3 million), which were almost entirely paid out during the year to employees who signed up to the plan 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)	12/31/2022	12/31/2021
External consultants	(13,840)	(11,645)
Information Technology	(13,749)	(15,131)
Administrative and logistical services	(6,212)	(9,630)
Rentals, building maintenance and security	(821)	(928)
Insurance	(1,860)	(2,016)
Indirect taxes and duties	(1,893)	(1,881)
Postal services, office supplies	(12)	(116)
Indirect personnel expenses	(742)	(420)
Debt collection	(1,681)	(3,056)
Utilities	(589)	(774)
Advertising and marketing	(172)	(159)
Other expenses	(173)	(207)
Total	(41,744)	(45,963)

The item as a whole shows an increase of 9% compared to the previous year to be ascribed mainly to the decrease in the costs of administrative and logistic services, of IT expenses and of those related to receivables recovery, offset by the increase in cost of external consultancy, mainly related to Master Legal.

NOTE 26 – OTHER OPERATING (EXPENSE)/INCOME

(€/000)	12/31/2022	12/31/2021
Recovery of expenses	(1)	725
Government grants	514	165
Reductions in assets	(29)	(3,409)
Other expenses	(75)	(29)
Other income	103	16
Total	512	(2,532)

In 2022, the item shows a positive balance of €0.5 million compared to a negative balance of -€2.5 million in 2021.

The item had a significant negative balance in 2021 substantially deriving from the extraordinary asset of €3.3 million due to the recognition of a "Net Economic Benefit" to the selling counterparty as part of the acquisition of doValue Greece.

Government grants, for €514 thousand, refer to the portion pertaining to the year deriving from the tax credit for innovation pursuant to Italian Law 160/2019.

NOTE 27 – DEPRECIATION, AMORTISATION AND IMPAIRMENT

(€/000)	12/31/2022	12/31/2021
Intangible assets	(5,874)	(4,406)
Amortisation	(5,874)	(4,406)
Property, plant and equipment	(6,417)	(7,070)
Amortisation	(6,417)	(7,070)
Financial assets measured at amortised cost	37	71
Write-downs	-	(21)
Write-backs	37	92
Trade receivables	(159)	(508)
Write-downs	(501)	(508)
Write-backs	342	-
Total	(12,413)	(11,913)

The item recorded an increase of 4% compared to December 31, 2021, due to higher amortisation of intangible assets, partially offset by lower depreciation of property, plant and equipment.

The item is also affected by the effects of IFRS 16 for amortisation of rights of use, which amounted to €5.6 million in 2022.

NOTE 28 – PROVISIONS FOR RISKS AND CHARGES

(€/000)	12/31/2022			12/31/2021		
	Provisions	Reallocations	Total	Provisions	Reallocations	Total
Legal and tax disputes	(1,663)	1,722	59	(2,601)	1,970	(631)
<i>o.w. Employee disputes</i>	(27)	98	71	(303)	171	(132)
Out-of-court disputes	(3,904)	1,403	(2,501)	(2,814)	789	(2,025)
<i>o.w. Employee disputes</i>	-	-	-	-	-	-
Provisions on other commitments and other guarantees issued	-	-	-	-	-	-
Total	(5,567)	3,125	(2,442)	(5,415)	2,759	(2,656)

The item 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, 2022, the item shows a negative balance of €2.4 million, a decrease of €0.2 million compared to the previous year due to the combined effect of the prudential provisions relating to both legal disputes and operational risks and other charges and for the releases for provisions of previous years that are no longer considered necessary.

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

- risks related to ongoing arbitrations amounting to €2.1 million;
- risks resulting from the indemnity obligations deriving from a specific commercial settlement agreement signed in 2019 for €0.3 million;
- other operational risks of €1.0 million.

The reallocations (€1.4 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)	12/31/2022	12/31/2021
Financial income	6,804	15,702
Income from financial assets measured at fair value through P&L	1,507	8,846
Income from financial assets measured at amortised cost	5,087	6,856
Other financial income	210	-
Financial expense	(27,667)	(31,604)
Expense from financial liabilities measured at amortised cost	(26,736)	(30,908)
Expense from hedging derivatives	-	(507)
Other financial expenses	(931)	(189)
Net change of other financial assets and liabilities measured at fair value through P&L	(915)	1,308
Debt securities	(550)	1,209
Units in collective investment undertakings	(652)	99
Units in collective investment undertakings	287	-
Total	(21,778)	(14,594)

Financial income, down €8.9 million compared to the previous period, essentially includes:

- income from the ABS securities of the two securitisations Romeo SPV and Mercuzio Securitisation (€0.7 million) and of the Mexico securitisation (€0.8 million). The comparison with the previous year is affected by the realisation in 2021 of income resulting from the sale of the Relais (€4.0 million) and Mexico (€4.6 million) securitisation securities;
- the revenues accrued on the loan granted to Altamira (€3.4 million) and on the loan originally granted to the subsidiary doValue Greece Holding for the purchase of FPS, now doValue Greece (€1.5 million).

Financial expense, down by €3.9 million compared to the previous period, are mainly linked to the costs of the senior guaranteed bond loan issued in July 2021 (€11.1 million) and the costs of the senior guaranteed bond issued on August 2020 connected with the acquisition of FPS, now doValue Greece (€15.6 million).

Other financial expenses regard interest calculated in accordance with IFRS 16.

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 Securitization and Mexico, whose measurement at fair value pursuant to IFRS 9 is negative for €0.5 million, as well as that relating to the units of the Italian Recovery Fund, whose valuation based on the NAV of the transaction as at December 31, 2022, is negative for €0.6 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

The item, amounting to €21.6 million, includes dividends collected from the investees doData for €1.1 million, doValue Greece for €20.0 million and doValue Greece Real Estate for €0.5 million.

NOTE 31 – INCOME TAX

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, 2022, in order to determine the IRAP rate of doValue, maintenance of the requirements of non-financial equity holding was verified for doValue, with the subsequent application of the rate envisaged for banks and the extension of the tax base also to financial charges and income; the nominal rate for banks and financial institutions is 4.65% (to which each Region can independently apply an increase of 0.92%, up to a theoretical rate of 5.57% plus a further 0.15% for the regions with a health deficit).

(€/000)	12/31/2022	12/31/2021
Current tax	(1,670)	(547)
Changes in prior year taxes	163	318
Changes in deferred taxes assets	(2,070)	693
Total	(3,577)	464

Income tax for the period amounted to €3.6 million on an accrual basis, up compared to the positive value of €0.5 million as at December 31, 2021, due to the increase in current taxes of €1.1 million and the deferred tax assets of €2.8 million.

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

(€/000)	12/31/2022	12/31/2021
Defined benefit plans	(133)	37
Cash flow hedges	-	(109)
Total	(133)	(72)

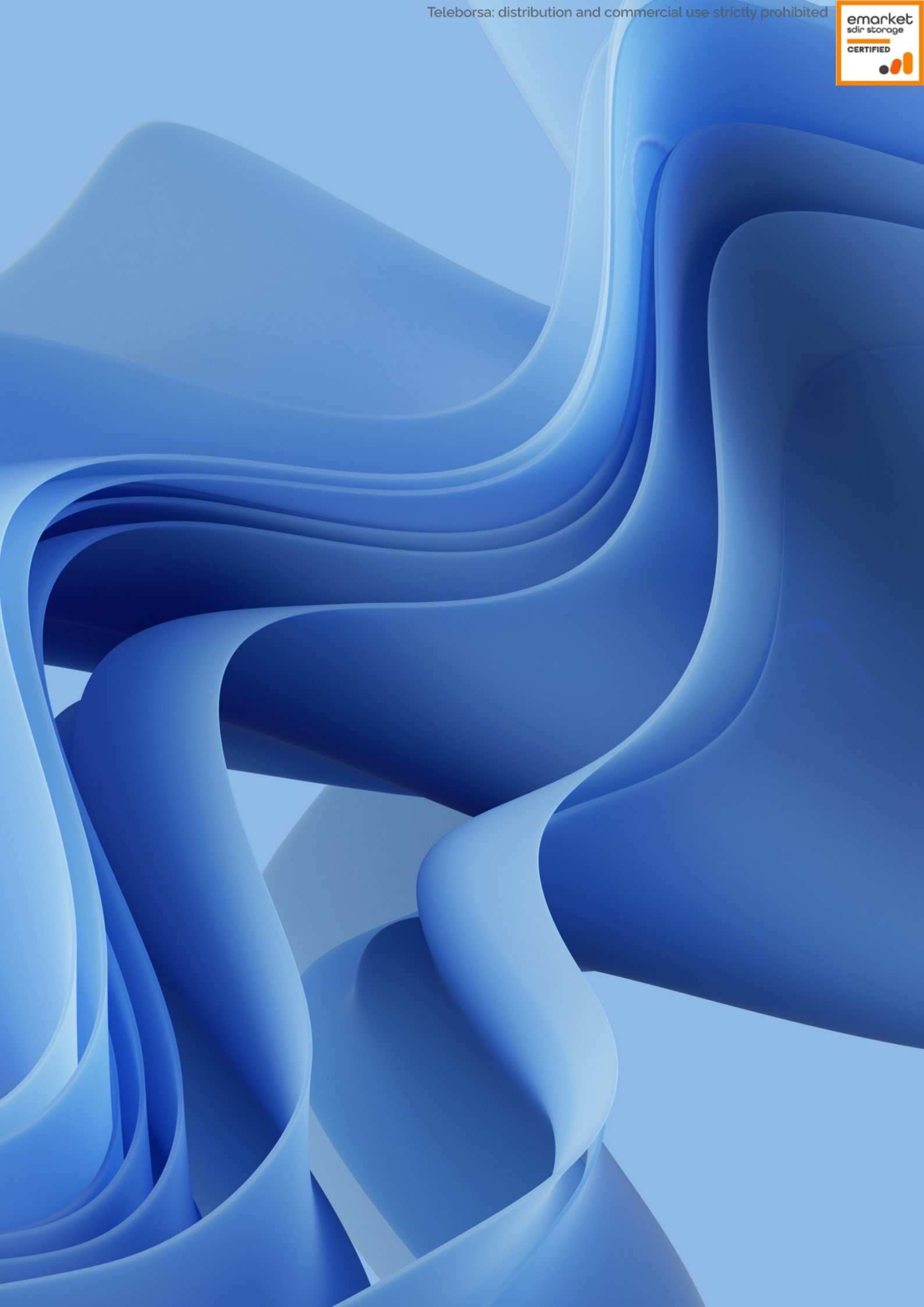
Below is a reconciliation between the tax charge recorded in the financial statements as at 12/31/2022 and the theoretical tax charge, determined on the basis of the theoretical tax rates in

(€/000)

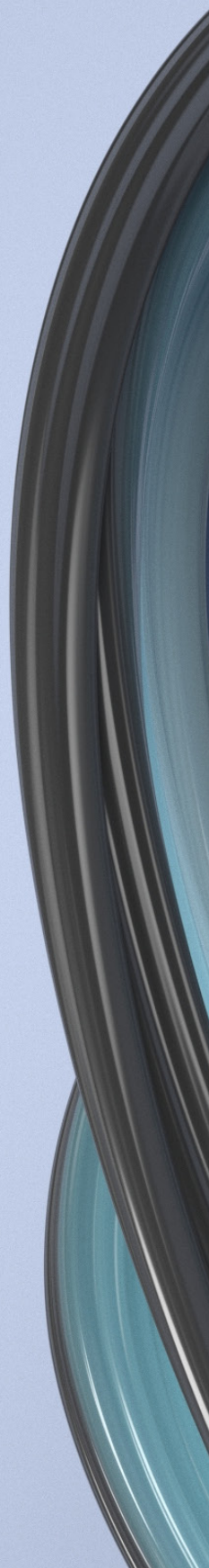
	12/31/2022	12/31/2021
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	23,048	(999)
Theoretical tax rate	24%	24%
Theoretical computed taxes on income	(5,532)	240
- Non-taxable income - permanent differences	5,057	2,657
- Non-deductible expenses - permanent differences	(3,367)	(2,339)
- IRAP (regional business tax)	(900)	(410)
- Other differences	1,165	316
Income tax recognised in income statement	(3,577)	464

For this reconciliation, IRAP tax is not taken into consideration since it has a taxable basis that is different from the result before tax. Theoretical income taxes are therefore calculated by applying only the tax rate in effect ("IRES"), equal to 24.0%, on the result before tax of continuing operations.





Information on Risks and Risk Management Policies



5

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.



5.1 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, 2022, 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.

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

One of the main instruments for mitigating liquidity risk is the holding of reserves of liquid assets and revolving credit lines. The liquidity buffer represents the amount of liquid assets held by the 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, from the second quarter of the current financial year, 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.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual, undiscounted payments.

(€/000)	On demand	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	12/31/2022	12/31/2021
Loans and other financing	1,585	9,874	-	554,218	-	565,677	560,892
Bank loans	-	125	-	-	-	125	41
Due to other lenders	1,585	9	-	-	-	1,594	-
Bonds	-	9,740	-	554,218	-	563,958	560,851
Other financial liabilities	-	-	33,451	19,040	8,600	61,091	28,150
Lease liabilities	-	-	4,851	9,518	2,074	16,443	5,106
Earn-out	-	-	28,600	9,522	6,526	44,648	23,044
Trade payables	1,464	1,005	17,990	-	-	20,459	23,627
Other current liabilities	3,733	3,400	10,215	1,561	803	19,712	31,217
Total	6,782	14,279	61,656	574,819	9,403	666,939	643,886

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 is 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 long-term indebtedness with variable interest rates.

Thanks to the 2020 and 2021 fixed rate bonds, the structure of the Company's current long-term debt is no longer exposed to interest rate risk.



5.2 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 Group'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 a special 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 Group, acting as a facilitator of business growth and development by identifying, measuring and managing potential risks that may affect the Group.

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" whenever an outlay is considered probable or possible on the basis of the information that becomes available, as provided for in the specific internal policies.

RISKS CONNECTED WITH TAX DISPUTES

It should be noted that the Company has received a tax audit by the Italian Tax Authority concerning the fiscal years 2015, 2016 and 2017, prior to the listing. As a result of the formal closure of the tax audit, two substantive findings were raised for 2016 and 2017 (with regular closure of the verification for the 2015 fiscal period). Concerning that point, the Company promptly provided comments and clarifications to the Italian Tax Authority, in order to demonstrate in detail the full correctness of the conduct adopted.

Currently, to date, no tax assessment has been received yet by the Company and the possible final findings of the carried out tax audit are expected not before the second quarter of 2023.

The Company is also considering the activation of the adequate protection measures according to the tax framework mainly aimed at preempting the issuance of one or more tax assessment, which are however considered to be not grounded. Therefore, a possible quantification could be estimated only in the future, once the outcomes of the discussions with the Italian Tax Authority have been ended and the conclusions that the Company will want to ratify in relation to the possible settlement of the dispute or the start of the next phase of tax claim.

Taking these circumstances into account, the Company, supported by a pool of professionals, evaluated the liability risk as possible. This possibility, however considered low, did not determine any provision for tax risks, penalties and interest, while the cost of legal expenses was recognized.

5.3 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 capital reserves attributable to the shareholders of the Parent Company. 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.

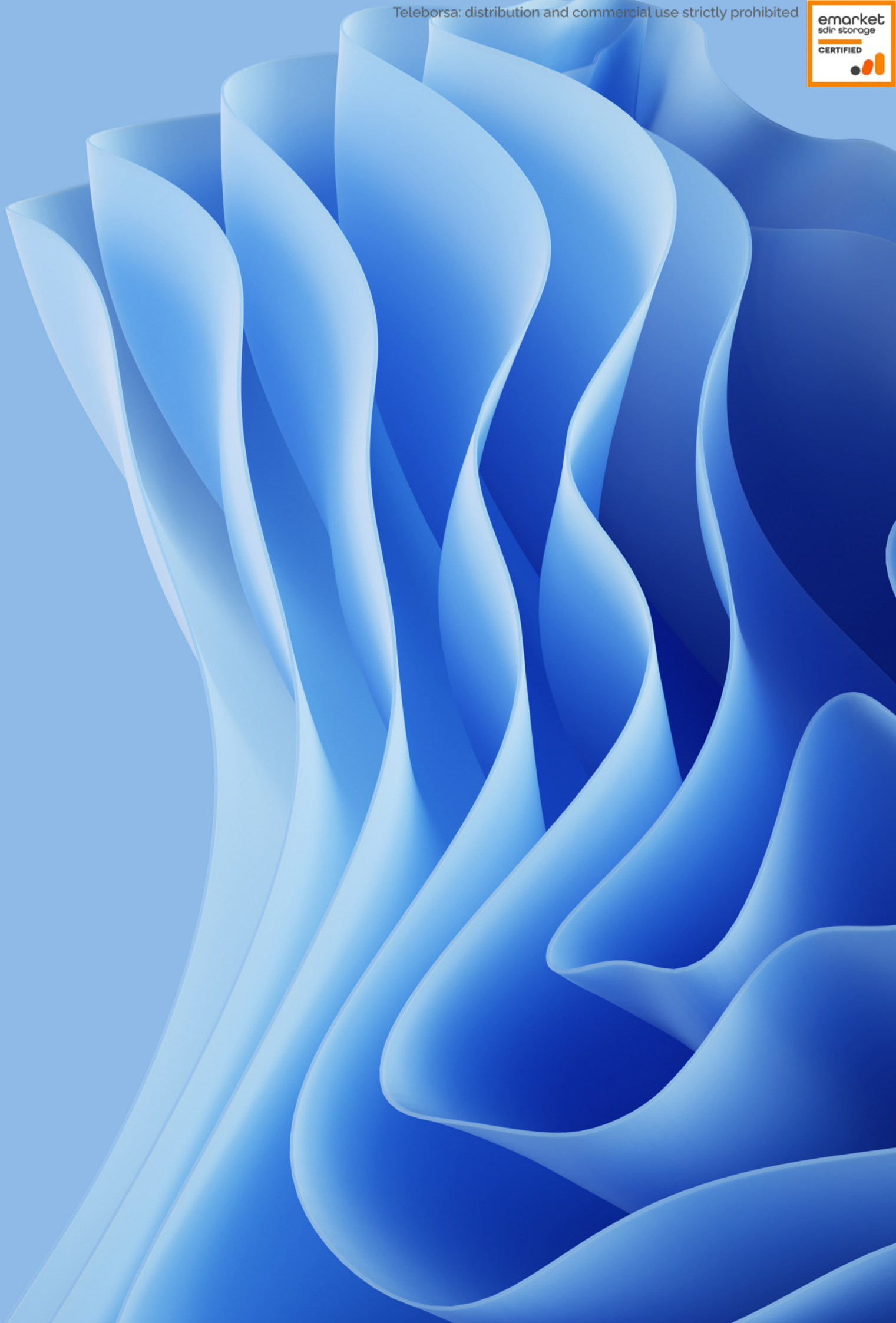
(€/000)	12/31/2022	12/31/2021
Loans and other financing (Note 13)	565,677	560,892
Other financial liabilities (Note 14)	61,091	28,150
Trade payables (Note 17)	20,459	23,627
Other liabilities (Note 18)	19,712	31,217
Less: cash and cash equivalents (Note 10)	(114,358)	(124,861)
Net debt (A)	552,581	519,025
Equity	190,190	205,921
Equity and net debt (B)	742,771	724,946
Gearing ratio (A/B)	74%	72%

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".

(€/000)	12/31/2022	12/31/2021
Net financial indebtedness (Note 14)	366,788	292,175
Trade payables (Note 17)	20,459	23,627
Other liabilities (Note 18)	19,712	31,217
Current financial assets (Note 4)	74,692	60,401
Other non-current loans (Note 4)	70,930	111,605
Net debt (A)	552,581	519,025

Commitments and guarantees issued

As at December 31, 2022, there were commitments totalling €1.1 million relating to units in collective investment undertakings (CIUs) to be subscribed for the restricted closed-end alternative securities investment fund denominated Italian Recovery Fund (formerly Atlante II) (see also Note 3).



Segment reporting

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For Segment Reporting, reference should be made to the representation in the Consolidated Financial Statements of the doValue Group as at December 31, 2022, 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.



Business combinations

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BUSINESS COMBINATIONS COMPLETED IN THE PERIOD

For this section, please refer to the doValue Group's Consolidated Financial Statements as at December 31, 2022.



Related-party Transactions

8

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

INFORMATION ON REMUNERATION OF KEY MANAGEMENT PERSONNEL

Information on the remuneration of key management personnel for the year 2022 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, as well as the other key management personnel identified in the "Relevant Personnel" area.

(€/000)

Remuneration breakdown

12/31/2022

Short-term benefits	5,098
Post-employment benefits	111
Share-based payments	4,198
Total	9,407

RELATED-PARTY TRANSACTIONS

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

All transactions with related parties carried out in 2022 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, 2022, with separate indication for the various types of related parties pursuant to IAS 24.

(€/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	70,930	-	2,312	73,242	123,783	59.0%
Current financial assets	74,692	-	-	74,692	74,692	100.0%
Trade receivables	7,850	-	7,361	15,211	84,066	18.0%
Other current assets	1,679	-	-	1,679	6,258	27.0%
Total Assets	155,151	-	9,673	164,824	288,799	57.0%
Trade payables	2,390	-	37	2,427	20,459	12.0%
Loans and other financing	1,593	-	-	1,593	11,458	14.0%
Other current liabilities	9	-	-	9	17,348	0.0%
Total Liabilities	3,992	-	37	4,029	49,265	8.0%

(€/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	-	-	33,564	33,564	141,868	24.0%
Other revenue	8,672	-	1,544	10,216	31,924	32.0%
Administrative expenses	(2,755)	-	191	(2,564)	(41,744)	6.0%
Staff expenses	(1,775)	-	(76)	(1,851)	(86,711)	2.0%
Financial (Expense)/Income	-	-	(90)	(90)	(21,778)	0.0%
Depreciation, amortisation and impairment	-	-	-	-	(12,413)	0.0%
Provisions for risks and charges	5,095	-	1,100	6,195	-	-
Dividends	21,612	-	-	21,612	21,612	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 €1.4 million, as well as net revenues from seconded personnel of €0.1 million were incurred. In addition, dividends of €1.1 million were collected. There is also a payable relating to the intercompany current account for cash pooling of €1.0 million;
- doNext: net revenues of seconded personnel accrued for €1.3 million. There is also a payable relating to the intercompany current account for cash pooling of €0.5 million;
- doValue Spain: net costs of seconded personnel accrued for €2.8million. In addition, there is a loan disbursed by the Company, for a residual amount of €54.9 million at the end of the year and which led to the accrual of financial income of €3.4 million and a receivable relating to the intercompany current account for cash pooling for €31.4 million for which interest of €0.2 million accrued;
- doValue Greece: net costs of seconded personnel accrued for €1.4 million and dividends of €20.0 million were collected. In addition, there is a loan granted by the Company for a residual €56.8 million at the end of the year which generated financial income of €1.5 million;
- dovalue Greece RE: dividends of €0.5 million were collected;
- doValue Portugal: there is a receivable relating to the intercompany current account for cash pooling of €31.4 million for which income of €2.5 million accrued, for which interest accrued for €0.03 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 €3.3 million and reimbursement of general and IT expenses of €5.3 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 credit securitisation transactions and structuring services for securitisations, regulated by Italian Law 130/1999. Some of these vehicles, in particular those linked to Softbank, fall within the scope of related parties and for 2022 the amount of revenues from contracts with customers in this category amounted to €33.4 million, while other revenues amounted to €0.8 million with corresponding trade receivables of €6.4 million as at December 31, 2022; for the Romeo SPV and Mercuzio Securitisation vehicles, for which doValue owns ABS notes, there were also €2.3 million in financial assets and €1.1 million in financial income;
- Torre SGR S.p.A.: the company rented doValue a property for one of the main offices in Rome, which was disposed of in the first quarter of 2022. This contract was recognised pursuant to IFRS 16, with depreciation of €90 thousand; administrative expenses of €75 thousand were also recorded in the period;
- 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 2022 accrued revenues of €387 thousand, in addition to having trade receivables of €551 thousand at the end of the period; there is also an active staff secondment relationship with one of the companies, which generated income of €191 thousand;
- ReoCo: doValue manages property assets for certain ReoCo (real estate owned companies), with revenue from contracts with customers and other revenue during the year for a total of €419 thousand and trade receivables of €437 thousand.

Annexes

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FEES PAID TO THE INDEPENDENT AUDITOR COMPANY: 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	193,500
	Audit related services	10,500
	Other services	35,000
	of which Non-Financial Statement	35,000
	Total	239,000

PUBLIC DISTRIBUTIONS PURSUANT TO ITALIAN LAW 124/2017

Italian Law 124 of August 4, 2017 introduces in article 1, paragraphs 125 to 129, some measures aimed at ensuring transparency in the system of public disbursements that are part of a European and national regulatory context.

Also of note is the circular Assonime n.5/2019 "Transparency in the public disbursement system: analysis of the discipline and interpretative guidelines", which contains some guidelines and highlights the points of greatest uncertainty, hoping for regulatory intervention by the competent authorities that guarantees a correct and uniform fulfilment of obligations by companies, in addition to the non-application of the sanctions contained in the regulation itself.

Given the above, the main criteria adopted by doValue S.p.A. are reported below, in line with the circular of Assonime mentioned above.

Grants, contributions and economic benefits of any kind received from January 1 to December 31, 2022 were considered.

doValue's information is presented below in table form.

(€)	Type of grant	Amount
	Employment Fund	66,240
	Training contributions to the Banking Fund	238,788
	Tax credit for technological innovation (Italian Law 160/2019)	327,452
	Total	632,480

Proposed allocation of Net Profit for the year

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PROPOSED ALLOCATION OF NET PROFIT FOR THE YEAR

"Dear Shareholders,

the draft Financial Statements as at December 31, 2022 were approved by the Board of Directors on 23 March.

The opinion of the independent auditors and the report of the Board of Statutory Auditors are at your disposal.

The individual financial statements as at December 31, 2022, closed with a Profit for the period of €19,470,925.80.

The consolidated financial statements, also approved by the Board of Directors at the meeting held on March 23, closed with a Profit for the period attributable to the Shareholders of the Parent of €16,502,481.00.

With reference to the allocation of the positive result for the period, it is proposed to distribute the entire dividend together with a portion of the extraordinary reserve, distributing a dividend of €0.60 per share which, compared to the number of ordinary shares as at December 31, 2022 - excluding treasury shares corresponding to 1.126% of the share capital - is quantified as a total of €47,459,739.60.

For the purpose of this distribution, the positive result for the period for €19,470,925.80 and the Extraordinary Reserve in the amount of €27.988.813,80 will be used entirely, taking into account that no distribution will be made to the treasury shares held by doValue at the record date.

The dividend will be payable on May 10, 2023 (with coupon detachment on May 8, 2023 and registration date May 9, 2023).

Rome, March 23, 2023

The Board of Directors

Certifications and Reports

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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. Andrea Mangoni, 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 2022.

2. The adequacy of administrative and accounting procedures employed to draw up the 2022 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 2022 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.

Roma, March 23, 2023

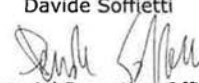
Andrea Mangoni

Chief Executive Officer



Davide Soffietti

Financial Reporting Officer





doValue S.p.A.

Financial statements as at 31 December 2022

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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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 2022, 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.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, 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.
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We identified the following key audit matters:

Key Audit Matter	Audit Response
<p>Estimate of the accrued portion of revenues relating to servicing contracts and related contractual obligations</p> <p>The Company operates as a servicing entity for banks and financial institutions for the management and recovery of loans, mainly non-performing. Revenues from these activities are recognized on an accrual basis, through the use of management information and reporting systems and procedures and the use of complex processes for the recognition of such activities, which are carried out in accordance with the specific clauses set forth in the customers' contracts.</p> <p>These revenues, presented in line item "Revenues from contracts with customers" of the income statement, are attributable to servicing for securitization transactions for approximately 83% and to credit service management and recovery services for the residual portion. The aforementioned contracts also provide for detailed rights and obligations of the Company toward counterparties, which can generate potential liabilities deriving from any failure to fulfill the contractual obligations.</p> <p>At the date of closing of the financial year, a portion of these revenues is determined by the Directors with a complex process to estimate the accrued servicing fees for the period, considering the articulated contractual arrangements, the dynamics of the recoveries actually made, as well as any contractual indemnities to be recognized in relation to particular events or specific circumstances. At the date of closing of the financial year, the portion of servicing revenue without an expressed acceptance of the counterparty amounts to 33% of total invoices to be issued and to 13% of "Total revenue" of the income statement.</p> <p>For these reasons, the estimate of revenues from servicing contracts and the related contractual obligations were considered by us to be a key audit matter.</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 process to recognize revenues from servicing contracts with customers and contractual costs and related key controls; • conducting compliance tests on the processes for calculating revenues and related billing; • verification of the appropriateness of the methodology and reasonableness of the valuation assumptions used, as well as performing compliance procedures on the related accounting estimate of the accrued amounts; • carrying out validity procedures concerning the correct application of the estimation methodology and related assumptions in recognizing fixed and variable revenue components; • comparison of the estimates of the prior year with the actual data and the analysis of the deviations to support the reliability of the estimation process. <p>Finally, we examined the adequacy of the information provided in the notes to the financial statements.</p>



The information on the management and recovery fees and the methods adopted for their estimation is reported in sections "Accounting policies", "Information on the balance sheet" and "Information on the income statement" of the notes to the financial statements.

Valuation of equity investments

Equity investments in subsidiaries as at 31 December 2022 amount to € 374,4 million and represent 42.7% of total assets.

The Company assesses the presence of impairment indicators for each investment at least annually, and, should they occur, they are subject to impairment testing.

The processes and methods for assessing and determining the recoverable amount of each equity investment are based on complex assumptions which, by their nature involve resorting to the use of management's judgment, in particular, forecasting future profitability. In this context, for the purpose of estimating future cash flows, Company's management used Budget 2023 approved by the Directors on 22 December 2022, data contained in the Group's Business Plan 2022-2024 approved by the Directors on 25 January 2022 and the forecasted data of the servicing contracts for each subsidiary.

Considering the significance of the amount in the financial statements, the required judgement and the complexity of the assumptions used in estimating the recoverable amount of the equity investments, we deemed this matter to be a key audit matter.

As part of the accounting policies reported in the notes to the financial statements, the accounting and valuation criteria for equity investments are described, as well as the risks and uncertainties associated with the use of the estimates underlying the valuation process.

Our audit procedures in response to the key audit matter, included, inter alia:

- analysis of the procedures and the key controls put in place by the Company regarding the identification of any impairment losses and the valuation of the investments;
- analysis of the valuation made by management in relation to any impairment of the equity investments identified based on the estimate of the cash flows contained in the Budget 2023, in the Group's Business Plan 2022-2024 and in the forecasted data of the servicing contracts for each subsidiary and analysis of the main deviations;
- assessment of the appropriateness of the methodology and the reasonableness of the assumptions made by the Directors in relation to the determination of the recoverable amount, with the support of our experts in companies' valuations, as well as the verification of the mathematical accuracy of the calculations and the sensitivity analysis on key assumptions.

Finally, we examined the adequacy of the information provided 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 with 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 Group 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 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) n. 815/2019

The Directors of doValue S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) n. 815/2019 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 with the provisions of the Delegated Regulation.

In our opinion, the financial statements 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 2022, 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 2022 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 2022 and comply with the applicable laws and regulations.

With reference to the statement required by article 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, 30 March 2023

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 2022 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.

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 the Supervisory Board pursuant to Legislative Decree 231/2001 to the Board of Statutory Auditors.

During the year ended 31 December 2022, the Board of Statutory Auditors carried out its official tasks in compliance with the Italian Civil Code, Legislative Decrees no. 58/1998 ("Consolidated Law on Finance") and no. 39/2010 as amended, 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 27 board meetings at which all members in office participated;
- attended, usually collegially, at 18 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, Transactions 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, 7 meetings held by the Appointments and Remuneration Committee;
- maintained a constant information channel and held regular meetings with the Audit Firm, for the purpose of promptly exchanging relevant information and data for carrying out their respective duties;
- maintained a constant information channel and held regular meetings with the Company Control Departments;

- participated in the periodic exchange of information with the Board of Statutory Auditors of the Italian subsidiary doNext Spa, facilitated by the presence of two auditors from the Parent Company 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 capital operations performed by the Company and by the Group, also in conformity with Article 150, paragraph 1 of the Consolidated Law on Finance. The Board of Statutory Auditors also acknowledges that the Directors communicated in advance, in accordance with Article 2391 of the Italian Civil Code, where applicable, operations that are believed to be in conflict of interests and were resolved upon in compliance with specific 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 activity, allowed the Board of Statutory Auditors to express adequate assessments on the various issues subject to the 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.

1. Considerations on the most significant economic, financial and capital operations performed by the Company and on their conformity 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 capital operations resolved upon and implemented by the Company and by the Group in 2022. At the outcome of the analyses conducted, 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, in potential conflict of interests, 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:

2022-2024 Business Plan

At the meeting of 25 January 2022, the Board of Directors approved the business plan for the three-year period 2022-2024, in which the vision for "doValue 2024" revolves mainly around the group's ability to lead the evolution of the credit servicing industry through investments in technology and through its ability to strengthen strategic and long-term partnerships with banks and investors in a broader reference market.

The 2022-2024 Business Plan is based on five main pillars: Grow, Enhance, Transform, Innovate and Care, for whose detail please refer to the Annual Financial Report.

Start of management of new credit portfolios

The evolution of the Portfolio under Management, which only includes onboarded portfolios, in 2022 was characterised by contracts related to new customers totalling €9.2 billion, of which approximately €7.3 billion in the Hellenic Region, approximately €0.3 billion in the Iberian Region as well as an additional €1.6 billion mainly related to two GACS securitisations in Italy.

In addition to the flows listed above, a further €3.8 billion comes from existing customers through onboarded flow contracts.

The Portfolio under Management is to be considered in further growth with respect to the picture already described above, due to new mandates acquired and currently in the onboarding phase for a total amount of €4.5 billion. €0.8 billion referred to initiatives in Italy, €3.4 billion to initiative in Greece and the remaining €0.3 billion to initiatives in Spain.

During the year, termination of the mandate granted by Sareb to the subsidiary Altamira AM led to gradual unbundling of the principal's portfolio and part of the LandCo portfolio, triggering the need to arrange a business reorganisation based on the realignment of business costs to the lower revenues resulting from the aforementioned events. During the reorganisation process, Altamira AM spun off the Real Estate business unit, transferring it to the wholly owned newco Adsolum Real Estate SL.

Always in relation to the subsidiary Altamira AM, at the same time, the rebranding of the subsidiary was launched. From 15 February 2023, the subsidiary changed its name to doValue Spain Servicing SA, in order to realign Altamira's Brand Identity to the doValue Brand.

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 Audit 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.

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

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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 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 congruity, as they fall within the Company's ordinary operations.

4. Comments and proposals on findings and on recalls on disclosure contained in the Report of the Audit Firm

The Audit Firm EY S.p.A. ("E&Y") has issued on today's date the following Reports:

- the auditing report 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 represent truthfully and correctly the capital and financial situation, economic result 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 the capacity of 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 Audit 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 coherent with the financial statements and the Consolidated Financial Statements of the Group and are drafted in conformity 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 Auditing Standard (ISA Italia) 701, already reported to the Board during the periodic meetings.

With regard to the audit report on the Financial Statements and the "key audit matters", are represented by the estimation of accruing servicing revenues and the effects of the application of servicing contracts and related contractual obligations, and the impairment testing of goodwill and other intangible assets relating to servicing contracts.

With reference to application of the provisions of Commission Delegated Regulation (EU) 2019/815 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 complied, in all significant aspects, with the provisions of the aforementioned Delegated

Regulation. La relazione di revisione del Bilancio Consolidato specifica che “Alcune informazioni contenute nella nota integrativa al bilancio consolidato, quando estratte dal formato XHTML in un’istanza XBRL, a causa di taluni limiti tecnici potrebbero non essere riprodotte in maniera identica rispetto alle corrispondenti informazioni visualizzabili nel bilancio consolidato in formato XHTML”.

During the meetings and contacts held with the Audit Firm no censurable facts for the Directors emerged.

In accordance with the provisions of Legislative Decree 254/2016 implementing Directive 2014/95/EU, on 23 March the Company's Board of Directors approved the Consolidated Non-Financial Statement for 2022. The Audit Firm issued its report today, noting that no evidence has emerged to suggest that the aforementioned Declaration 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, as regards the GRI standard selection. The Board of Statutory Auditors oversaw the process of preparing the Declaration, in line with existing regulatory provisions.

5. Indication of any submission of reports pursuant to Article 2408 of the Italian Civil Code, any initiatives undertaken and the respective outcomes

During 2022 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 2022 and up to the date of this Report, no complaints have been received to be reported to the Shareholders' Meeting.

7. Indication of any granting of further assignments to the Audit 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 2022, the Directors have provided analytical information regarding the remuneration attributed to the Audit Firm and the entities belonging to the Audit Firm's network, as shown in the table below:

FEES PAID TO THE INDEPENDENT AUDITORS: INFORMATION PURSUANT TO ARTICLE 149-DUODECIES OF THE CONSOB ISSUERS' REGULATION

(C)

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)
Auditing	EY S.p.A.	193.500	Network EY	334.970
Audit related services	EY S.p.A.	10.500	Network EY	63.300
Other services	EY S.p.A.	35.000	Network EY	17.030
of which Non-Financial Statement		35.000		-
Total		239.000		415.300

In light of the changes introduced by Directive 2014/56/EU, implemented in Italy by Legislative Decree 135/2016, which amended Legislative Decree 39/2010, as well as EU Regulation no. 537/2014, containing a number of measures to the statutory audit and some provisions on Internal Control Committee and the audit in Public Interest Entities (PIE), the Board of Directors, at the Board's recommendation, at its meeting of 31 January 2020, approved a new Group procedure aimed at governing the management of contractual relationships with the Audit Firm and its network as well as the assignment of audit and non-audit services ("NAS"). In 2022, in compliance with the aforementioned provisions on legal auditing, the Board of Statutory Auditors approved in advance – after having checked the potential risks for 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, in 2021 the Board of Statutory Auditors verified and monitored the independence of the Audit Firm EY. In that regard, 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.

8. Indication of the existence of opinions issued in accordance with the Law during the year

In 2022, 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;
- opinion in favour of the appointment of the Financial Reporting Officer, expressing a favourable opinion on the appointment by the Board of Directors of a new Financial Reporting Officer of doValue SpA with effect from 1 May 2022, pursuant to Article 154-bis of the Consolidated Law on Finance.

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 at 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 the 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, advisory activity of committees and external professionals.

10. Comments on the adequacy of the organisational structure

As is known, in June 2019 doValue concluded a significant corporate reorganisation process that saw the Company take the form of a company governed by Article 115 T.U.L.P.S., resulting in the disappearance of the banking group. In this context, the Company continued the process of internationalisation of the Group, represented by the acquisition, in June 2019, of 85% of the capital of Altamira Asset Management, in November 2019, of 96% of doValue Cyprus Limited, and, finally, the completion, in early June 2020, of the acquisition of 80% of the FPS capital (now "doValue Greece").

During 2021, the process of revising the Group's organisational structure initiated in 2020 was completed in order to support the Group's international development.

2022 was characterised by completion of the "grounding" of the new organisational structure, through the approval of relevant Group policies. In particular, a process of revision and adaptation of the local regulatory system was therefore initiated in the various countries. The activity focused on enhancing regulations governing relevant issues applicable in all countries and with the involvement at methodological level of both local and Group structures.

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 Risks and Transactions with Related Parties Committee on 16 March 2023 and by the Board of Directors on 23 March 2023.

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 2022 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 26 January 2023, 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 of Statutory Auditors took note of the Board of Directors' choice which, based on the SME classification assigned to doValue S.p.A., decided not to carry out the Self-Assessment for the year 2022, in line with Recommendation 22 of the Corporate Governance Code.

The Board of Statutory Auditors examined the Remuneration Report approved by the Board of Directors at its meeting of 30 March 2023 at the proposal of the Remuneration Committee and verified its compliance with legal and regulatory requirements, 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.

In this regard, it seems appropriate to mention the Group organisational structure as at 1 January 2022:

- Group Control Office, reporting hierarchically to the Parent Company's Board of Directors, responsible for coordinating at Group level, for the areas of its competence, control activities aimed at ensuring a constant and independent evaluation of the overall system of internal controls and risk management, giving periodic information to the Corporate Bodies, as well as ensuring the adoption of homogeneous methodological approaches and operating models by the Group's Internal Audit and Anti-money Laundering Functions in compliance with the requirements of independence and autonomy established by local regulations;
- Group Internal Audit, reporting hierarchically to the Chief Group Control Officer, responsible for defining a shared methodology for carrying out internal audit activities, identifying common tools for performing controls, structuring a common reporting system for the Bodies and the

Management of the various Group components and ensuring its adoption by the various local Internal Audit Functions that functionally report to it;

- Group AML, reporting hierarchically to the Chief Group Control Officer, responsible for issuing Group guidelines and policies on the prevention of money laundering risk and for developing a common methodological approach to manage this risk and a common reporting for the Bodies and Management of the different Group components, supervising its adoption by the various Anti-money Laundering Functions established at local level that functionally report to it;
- Compliance & Global DPO, reporting hierarchically to the Group General Counsel, 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) through the definition of common guidelines and policies, regulatory monitoring and the implementation of the necessary interventions to ensure compliance with applicable regulations, as well as the introduction of specific intra-group information flows. In the field *data protection*, the Global DPO defines the Group's data protection organisational model and a common DPO control framework and its main function is to coordinate the data protection activities, receive information flows from the local DPOs and, consequently, report to the doValue Board of Directors.
- Group Administration & Internal Control for Financial Report, reporting hierarchically 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 their responsibilities with reference to the issuer and to all the Group companies included in the consolidation.

During 2022, a significant change occurred following the establishment of the Group Enterprise Risk Management Function (hereinafter ERM), having the mission of the Function is to ensure integrated risk management, supporting the growth and development of the company by identifying and mitigating potential risks that may affect the Group's performance, with particular attention to operational, strategic and financial, reputational and legal risks.

Also in relation to this significant change, updating of the Regulation on the Group's Internal Control System in Italy became necessary, approved by the Board of Directors during the meeting of July 31st, 2022.

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, 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 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. Altamira Asset Management and doValue Greece). 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 of business needs, without prejudice to the powers and responsibilities of the respective Corporate Bodies;

- the second level controls seek to ensure the correct implementation of the risk management process, to verify compliance with the limits assigned to the various operating functions, to control the consistency of the operations of the individual operational areas with the risk-return objectives assigned as well as guarantee the compliance of company operations with applicable rules, including corporate governance regulations. 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 that comprise it, 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 implementation of an integrated architecture of the internal audit system during 2022, in line with the new connotation of international Group, which includes all legal entities. The Board of Statutory Auditors also acknowledges that the 2022 Audit Plan and the 2021 - 2023 three-year plan, reflects the results of a risk assessment activity on the entire Audit Universe of the doValue group, developed on the basis of a mapping of the processes in its various components and which saw the close involvement of the Internal Audit function of the Parent Company and those established at the foreign subsidiaries and the application of a common risk assessment methodology. Similarly, the 2023 Activity Plans in the areas of anti-money laundering and DPO take into account, in an organic manner, all the activities performed by the respective control functions as they apply to the entire group, according to a logic of priority of the identified risks mitigation.

In the period of reference, the Board of Statutory Auditors has overseen the system of internal controls by way of regular meetings with the Control functions and by analysing the information flows originating from the same and it has taken steps to request further investigations or to stimulate interventions, involving the company structures affected by the actions of the aforementioned functions.

As highlighted in the introduction, the Board of Statutory Auditors has also been assigned the functions of Supervisory Board pursuant to Italian Legislative Decree 231/2001.

During the year, the anti-corruption projects concluded on obtaining the related certification. The main objective had been to develop the Group's anti-corruption system in relation to the geographical scope and the Group's corporate and organisational model, as well as to bring it into line with the ISO 37001:2016 standard.

Following the completion of this major project, the 2022/2023 project was launched to update the 231/01 Model and integrate it with the anti-corruption framework.

The Board of Statutory Auditors also acknowledged the continuation, during 2023, of the process of adapting and strengthening the Group data protection management framework, mainly through the standardisation of methods for measuring and representing the risk to privacy from processing, as well as consolidation of the group's procedural corpus through the introduction of a common framework for the management and assessment of data breaches, intra-group transfers and transfers outside the EU. Lastly, the DPO ensured monitoring activities in line with the planning approved by the Corporate Bodies, also through the monitoring of action taken to mitigate the risks. The GDPR action plan monitoring report and the progress of the DPO Plan were periodically shared with the Board.

The Board of Statutory Auditors examined the Head of Internal Audit's Report for the year 2022, who, on the basis of the assessment of the results of the audit assignments and also taking into account the evolutionary context that has further affected the Group, assessed the internal control system as generally adequate to mitigate the risks to which the Group is exposed by virtue of its business model and geographical location, although there are areas for improvement.

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, also taking into account the current development context, no elements have emerged for not deeming this system to be overall adequate, effective and efficiently operational.

12. Comments on the adequacy of the administration-accounting system and its reliability to represent the management facts correctly

The Board of Statutory Auditors has overseen the adequacy of the administrative-accounting system and its reliability to provide a correct representation of the management facts, as well as for the duties attributed to the same on the process of financial reporting, by way of: (i) periodic 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) periodic meetings for the purposes of information exchange with the Audit Firm; (iv) analysing the results of the activities performed by the Audit Firm.

In this regard, it should be noted that during the year the transformation project for the Group accounting structure was completed through introduction of the SAP application into all the main entities.

In accordance with IFRS 3 "Business Combinations", in the financial statements the Company provides detailed information on the business combinations. In particular, during 2022 there were no external business combinations or reorganisations within the Group.

With regard to intangible assets recorded in the financial statements, mainly attributable to intangible assets and goodwill deriving from the acquisitions of doValue Spain Servicing, formerly Altamira and doValue Greece, the Group conducted the impairment test. This test was also arranged for the intangible asset deriving from the payment by doValue Greece of a consideration for acquisition of the right to appointment as Servicer for the "Frontier" contract.

The impairment testing took into account the forward-looking information determined in accordance with the 2023 Budget approved by the Board of Directors on 22 December 2022 and with the Group's 2022-2024 Business Plan approved by the Board of Directors on 25 January 2022,

which include the most recent scenario assumptions collected from the subsidiaries that consider the performance of the main market and macroeconomic variables, estimating their effects from a forward-looking perspective.

The calculations made revealed some evidence of impairment, such as differences between the value in use of the active servicing contracts and the related book value less amortisation for the period, totalling €63.5 million and referring to the Sareb contract of doValue Spain Servicing which was terminated in June 2022.

With regard to goodwill, the comparison between the recoverable amount and the total net book value of the CGUs at 31 December 2022, confirmed for both acquisitions the recoverable amount, which confirms the absence of impairment of the item "Goodwill". This recoverable amount is also broadly in line with the carrying amount of the respective investments in the separate financial statements of the Parent Company.

The main companies of the Group are subject to audit for the purposes of the consolidated financial statements (of a different scope depending on the individual specificity 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 audit appointment of EY had expired.

Lastly, in the Report on Operations and in the Notes to the Financial Statements, the Company reported on the potential general macroeconomic impact of the Covid-19 pandemic and the war between Russia and Ukraine, noting that the effects of the pandemic are no longer significant and Group's direct exposure to Russia and Ukraine is negligible. With reference to the requirements of Law 262/2005, the Board of Statutory Auditors reports on the consolidation of the scope of coverage of the internal control system within the framework of financial reporting. In particular, in consideration of the Group's international expansion, during 2022 the Parent Company's Board of Directors again updated the reference regulatory corpus, with particular regard to the Manual on Group Accounting Rules and Principles, the Control Function's Methodology for the Financial Reporting Officer and the Procedure for the preparation of the Annual and Interim Consolidated Financial Statements, also in the European Single Electronic Format (ESEF).

Based on the defined framework, the doValue Group has provided that the Financial Reporting Officer shall be supported by a team of resources dedicated to carrying out the activities involved, in order to cover all the entities of the Group, and composed as follows:

- head of Activities at the Subsidiary for the Financial Reporting Officer (RACDP), if appointed, normally identified, if any, in the Chief Financial Officer (CFO) of the represented entity, who performs at local level, for the represented entity and any other specifically selected direct and indirect subsidiaries, the coordination and attestation activities required of the Financial Reporting Officer;
- 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 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 2022 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 2022, approved by the Board of Directors on 23 March 2023, from which no critical issues have emerged such as to make the accounting and financial information unreliable.

At the end of the 262 audit activity, a corrective action plan was defined on which basis the Board of Statutory Auditors will carry out monitoring activities.

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 in accordance with Article 150, paragraph 3 of the Consolidated Law on Finance

In conformity with the provisions of Article 19 of Italian Legislative Decree 39/2010, the Board of Statutory Auditors, in the capacity of Internal Control and Accounts Audit Committee, has overseen the process of financial reporting, the effectiveness of the internal control system of quality, internal auditing and risk management, the annual and consolidated statutory accounts audit and the independence of the Audit Firm.

As already stated in this Report, the Board has met the Audit Firm periodically, activating a profitable exchange of information in conformity 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 2022, the methodological framework, the audit approach used for the various significant areas, and the application of the accounting standards. The Board informed the Audit Firm of its activity and reported on the significant facts of which it was aware.

Overall, from the information exchange with the Audit Firm, no anomalies, criticalities or omissions emerged.

15. The Company's adherence to the Corporate Governance Code

Following its listing in July 2017, the Company adopted the Corporate Governance Code, and the Board of Statutory Auditors has overseen the methods of actual application of the respective 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 instructions

to the Regulation of Markets organised by Borsa Italiana and to the Consolidated Law on Finance, and approved by the Board of Directors on 28 March 2022.

In particular, the Board noted that:

- on 25 February 2021, the Board of Directors approved the "Policy on the subject and composition of the Corporate Bodies of the doValue Group", which provides for adequate diversification of skills, experience, age, gender, geographical origin and international projection. Consequently, the membership of the Board of Directors appointed on 29 April 2021 is in line with the provisions of Italian Law no. 160/2019;
- on 16 December 2021, the Board of Directors adopted the "Engagement Policy" aimed at formalising the activity carried out on an ongoing and ordinary basis by the Company with the market. The policy sets out the general principles, the management methods and the main contents of the dialogue between the Company and the Market in order to favour the creation of sustainable value in the medium-long term, the definition of the strategy that inspires the Company's work, the activities aimed at guaranteeing the high standards of governance that the Company is committed to pursuing.

Finally, the Board of Directors, at its meeting of 20 February 2023, assessed the recommendations received from the Corporate Governance Committee with the notice of 25 January 2023, and considered that doValue is already in compliance with the Committee's wishes in relation to most of the recommendations (in particular, with respect to the adoption of the shareholder dialogue policy, the long-term horizons in the remuneration policies and the ESG parameters for Directors' remuneration); as regards the recommendation of the issue of information on the criteria and methods with which the administrative body has promoted dialogue with the other relevant stakeholders, on pre-board information, on the participation of managers in board meetings, has already initiated the most appropriate actions to achieve a substantial alignment process.

Furthermore, doValue continued to integrate its sustainability strategies by strengthening ESG Governance, Diversity & Inclusion, Privacy and Cybersecurity programmes and care for people and the environment. The issue of sustainability is one of the pillars of the Group's 2022-2024 Business Plan on which doValue will continue its commitments in line with the best international standards. Lastly, in 2023, the Group Communication & Sustainability Function was established and included in the structure - reporting to the General Manager - of Group IR, Communication & Sustainability, which also includes Group Investor Relations, and definition of its reporting flows;

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 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 not in conformity 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 non-financial nature. Both the financial statements and the consolidated financial statements were prepared in the perspective of 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 disclosure, both on the financial statements and on the consolidated financial statement and, insofar as it is responsible, has expressed, in relation to the Report on Operations, a positive opinion on the coherence of the same with the financial statements and the conformity to 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.

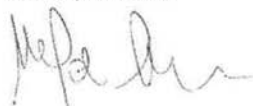
Taking all of the above into account, based on the activities carried out during the year, the Board of Statutory Auditors does not believe there are any grounds for exercising its right to submit proposals to the Shareholders' Meeting pursuant to Article 153, paragraph 2, of Italian Legislative Decree no. 58/1998 regarding the approval of the Financial Statements as at 31 December 2022 and matters within its competence, not finding any reasons to prevent the approval of the Financial Statements as at 31 December 2022, including the proposal for the distribution of dividends formulated by the Board of Directors.

Rome, March 30, 2023

For the Board of Statutory Auditors

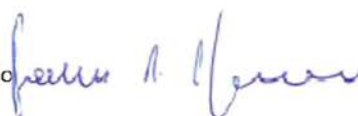
Chairman

Mr Nicola Lorito



Statutory Auditors

Mr Francesco Mariano Bonifacio



Ms Chiara Molon





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