doValue

CONSOLIDATED ANNUAL FINANCIAL REPORT

2022

Leading the evolution of the servicing industry doValue

CONSOLIDATED ANNUAL FINANCIAL REPORT

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


doValue
CONSOLIDATED ANNUAL FINANCIAL REPORT
2022
Leading the evolution of the servicing industry

CONTENT

We contribute to maintaining equilibrium in the economy, favouring financial inclusion.

The provision of credit is one of the main drivers of growth and economic development. It allows to undertake entrepreneurial projects that create innovation and employment and to start personal projects related to fundamental stages of our lives.

The management of non-performing loans is a fundamental activity that boost economic growth, promotes a more efficient and equitable allocation of resources within society and allows to debtor clients to be reincluded in the economic and financial system.

With more than 20 years of experience and approximately €120 billion of assets under management, the doValue Group is the main operator in Southern Europe in the management of credit portfolios and real estate assets deriving from non-performing loans.

Letter to Shareholders

Dear ***Shareholders*** and ***Stakeholders***,

It is a pleasure to present to you the 2022 Financial Statements, of which we are particularly proud given the positive results achieved by doValue in such a challenging economic context.

Since the beginning of 2022, in the three regions in which it operates, doValue has been active on several fronts and, for the second consecutive year, has achieved better results than the Guidance presented to the market.

The effectiveness of the business model and the diversification strategy (in terms of countries, products and customers) allowed the doValue Group to record Gross revenues of €558 million and an EBITDA excluding non-recurring items of €202 million. In terms of new assets under management, in 2022 the Company was awarded around €12 billion of new Gross Book Value, a level substantially in line with the plan targets and particularly positive if we consider the market context of 2022.

In terms of dividends, the Board of Directors confirmed the management's indication for 2022 of a level of €0.60 per share, up 20% compared to the previous year, and in line with the dividend policy approved through the 2022-2024 Business Plan. In terms of financial leverage, 2022 closed at a level of 2.1x, i.e. the conservative end of the Business Plan's target range. In terms of credit rating, both Fitch and S&P confirmed the BB rating in June-July 2022, Fitch also improved the doValue outlook from Stable to Positive (while S&P confirmed the Stable outlook).

Attention to all Stakeholders as well as the adoption of ethical and professional standards in line with the best market practices characterise our business model. In line with our principles, doValue defined its Charter of Values and updated its Code of Conduct for the External Network following the high quality standards established in the Group Code of Ethics.

In June 2022, doValue was also admitted to the Euronext STAR Milan segment, a segment dedicated to companies that have achieved excellence in terms of transparency, corporate governance communication, requirements already largely met by the Group since its listing on the Stock Exchange.

doValue's operational excellence was also confirmed by the market Servicer Ratings assigned by the international agencies S&P and Fitch Ratings: as Special Servicer, in February 2022, Fitch Ratings confirmed the "RSS1-/CSS1-" rating and Standard & Poor's confirmed the "Strong" rating, the highest Servicer Ratings among those assigned to Italian operators in the sector.

During the year, in consideration of the role played by doValue in the sustainable development of the financial system, the Group defined its Purpose: to contribute to maintaining the equilibrium of the economic system, promoting financial inclusion.
In fact, in the management of loans, doValue favours the use of out-of-court, and therefore more rapid, flexible and less costly solutions for all parties involved than judicial procedures. In addition to leaving more room to listening to the debtor customer and to determining their needs, these solutions also contribute to putting the debtor customer back into the financial circuit faster, guaranteeing a more empathic, inclusive and, in the end, sustainable approach.

For years, the Group has embarked on a path aimed at integrating Sustainability into business processes following the direction defined by the 17 SDGs - Sustainable Development Goals. The achievement of all the 2022 targets of the Sustainability Plan confirms doValue's commitment in this matter. In particular, on the social front, which is the most important aspect for doValue, we have made great progress in terms of skills development and training, diversity and inclusion as well as activities in support of local communities.

The Group's sustainable growth path is also confirmed by the excellent ratings assigned by the ESG Rating Agencies; in July 2022, Sustainalytics upgraded the Company's ESG Risk Rating from "Medium Risk" to "Low Risk", in line with its continuous improvement since the first rating assigned in October 2020.

In the coming years doValue will strive to guide the evolution of the servicing sector through investments in technology, strengthening strategic relationships with its Stakeholders and operating in compliance with ESG principles.

Chairman of the Board of Directors

Giovanni Castellaneta

doValue in brief

Leading operator in Southern European servicing sector

doValue

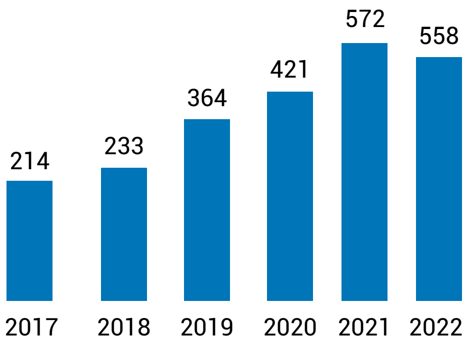
With more than **20 years of experience** and approximately **€120 billion of assets under management**, the **doValue Group** is the main operator in Southern Europe **in the management of credit portfolios** and real estate assets deriving from non-performing loans.

The doValue Group offer to its clients, both banks and investors, services for the management of portfolios of non-performing loans (NPL), unlikely to pay (UTP), early arrears and performing loans. The doValue Group is also active in the management and development of real estate assets deriving from non-performing loans (real estate owned, REO).

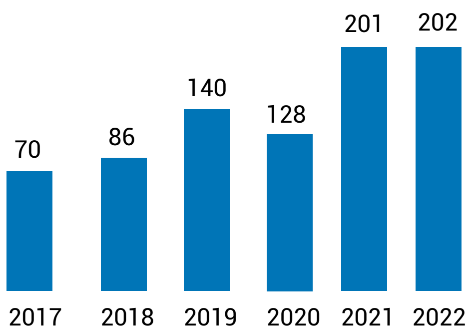
In addition, the doValue Group offers a broad set of ancillary services (master legal services, due diligence services, data management services and master servicing activities).

The shares of the doValue Group have been listed on Euronext Milan since 2017. In addition, doValue has been admitted to the STAR segment of Euronext Milan in 2022.

Gross Revenues
(€ million)



EBITDA ex NRIs
(€ million)



Business model

Independent & capital light servicing platform, fee-based business model, limited balance sheet deployment, focus on high value-added activities

doValue provides a set of integrated services for the management of non-performing assets (loans and real estate assets) to its customers (banks and investors), with the aim of supporting them in the management of their portfolios and investments (“Servicing”).

The services offered by the Group include: (i) restructuring and liquidation of loans (“Special Servicing”), (ii) administrative management and structuring of securitisation vehicles (“Master Servicing”), (iii) marketing, development and real estate asset management (“REO Servicing”), (iv) due diligence, (v) management and supply of data and other services in support of Servicing (“Ancillary Services”).

Banks and investors entrust doValue with the management of loans and real estate assets owned by them both through long-term partnerships and through shorter-term contracts as part of the various investment transactions in portfolios.

doValue’s business model is open to all banks and specialised investors in the sector and applies a simple remuneration structure based on fixed and variable fees without contemplating direct investments in loan or real estate portfolios - therefore “asset-light "and without direct balance sheet risks.

As regards the various non-performing assets, doValue focuses on those segments in which it is possible to carry out activities with higher added value such as: management of medium-large bank loans, of corporate origin and secured by real estate guarantees. In addition, doValue is able to support banks from the early stages of performing loan management (Early Arrears and UTP) and also in the optimal enhancement of real estate portfolio from credit recovery actions (REO).

The 2022-2024 Business Plan, approved by doValue’s Board of Directors on January 25, 2022, confirms doValue efficient business model as a leading independent capital light credit servicer in Southern Europe.

Such model is characterised by several strengths in terms of its simplicity, the long-term visibility of revenues and EBITDA, the ability to serve all banks and investors operating in the non-performing loan servicing sector offering a high degree of product and geographical diversification.

The strategic positioning of doValue is also protected by high barriers to entry, mainly related with the investments needed in IT systems and proprietary data collected in multiple decades of operation.

Business Model

Banks | Disposals / Securitisations | Investors

Outsourcing | Outsourcing

doValue

Credit Servicing & Real Estate Management

Performing Loans	Early Arrears	UTPs	NPLs	REOs	Real Estate Development
Diversification (2019-2021)			Core product offering	Diversification (2019-2021)	

Key Strengths

1	Capital light	▪ No acquisition of credit portfolios ▪ Limited capex needs (IT only) ▪ Limited investments in portfolios (co-investments)
2	High visibility	▪ Long-term contracts (10+ years) ▪ Recurring and highly predicable revenues ▪ Fixed free + variable fee structure
3	Protection	▪ Protection in case portfolios are sold by clients ▪ Contractual indemnity fees
4	Independence	▪ No structural conflict of interest with clients ▪ Ability to serve every bank/investor
5	Diversification	▪ Client, product and market diversification ▪ Exposure to most attractive post-COVID markets
6	High barriers to entry	▪ Scale, IT and data act as key barriers to entry ▪ High termination fees ▪ Scarcity of specialised talent
7	Attractive across cycles	▪ NPE stock grows during recessions ▪ Collections grow in macro-recovery periods

The reference market

Attractive presentation to the market of non-performing assets in Southern Europe

The servicing of non-performing assets (loans and real estate) in Europe benefits from structural trends that encourage banks and investors to make a greater use of outsourcing for the management of their assets.

Despite the deleveraging and disposal activity by banks which sold non-performing loan portfolios to institutional investors in recent years and the relative improvement in banks' NPE ratios, the stock of non-performing loans in Europe (and the related real estate guarantees) on banks' balance sheets, held by specialized investors or owned by securitization vehicles, constitute a significant reference market for servicers.

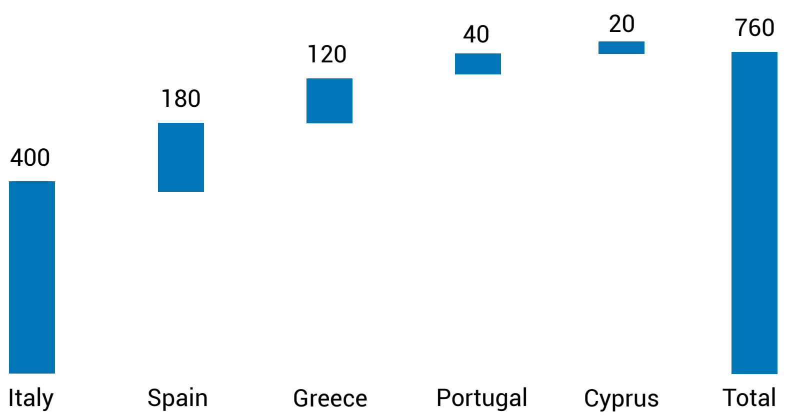
In particular, there is a significant concentration of these types of assets in Southern Europe, a market characterized by above-average NPE ratios and greater attention by banks to an efficient management of their assets, in particular through outsourcing contracts with specialized operators, including doValue.

These markets are also characterised by greater management complexity, a factor that makes servicer activities even more essential, and by good growth and profitability prospects for the servicing of real estate assets.

In a market context that sees a slowdown in macro-economic growth, an unprecedented rise in inflation and interest rates in recent, there is a general expectation of an acceleration in the formation of new Non-Performing Exposures ("**NPE**") in doValue's reference markets. In fact, third-party sources estimate an increase in default rates for 2023 and 2024 in a context in which the level of Stage 2 loans on banks' balance sheets is particularly high.

More generally, doValue's activity is supported by favourable exogenous elements in the medium to long term, such as the implementation by banks of stringent rules for the accounting of loans (IFRS 9, Calendar Provisioning, Basel IV), which will lead the banks to a very proactive management of their balance sheets, in addition to the expected continuation of the consolidated trend of outsourcing credit servicing activities.

Non Performing Exposure stock managed by servicers (€ billion)



Source: PwC and doValue elaboration on various public data

A track record of profitable growth

Substantial growth across all key metrics

The history and track record of doValue since its IPO is remarkable.

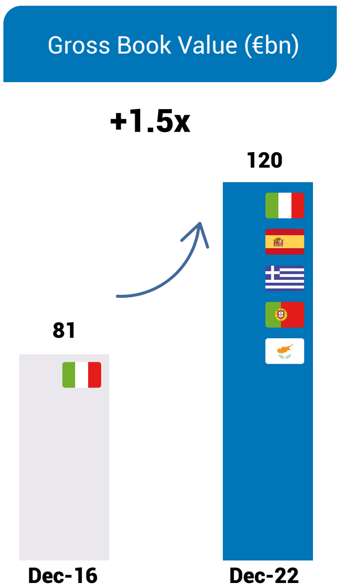
The Group has delivered 1.5x growth in GBV and about 3x growth in both Gross Revenues and EBITDA (with an improvement in EBITDA margin from 31% to 36%). Growth brought doValue a high degree of diversification, both in terms of geographies, clients and products.

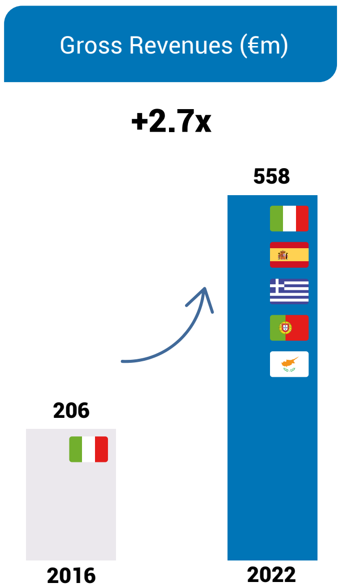
Such diversification has been aimed at creating a more complete product offering for clients and a more balanced and complete investment proposition for shareholders.

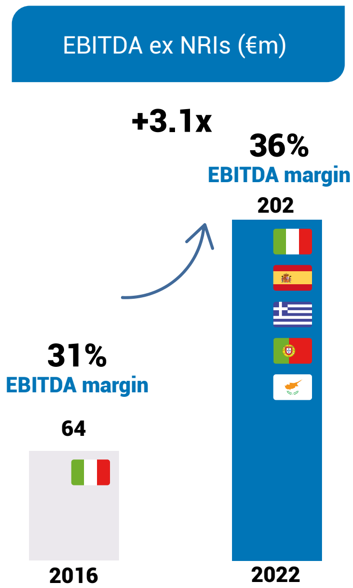
The way growth was achieved was mainly through the acquisitions of Altamira Asset Management (now doValue Spain) and FPS (now doValue Greece) in 2019 and 2020 respectively, now completely integrated.

In parallel, the acquisition strategy has also focussed on innovation, for example with the acquisitions of minority stakes in fintech business QueroQuitar and proptech business BidX1, or by setting up the doLook NPL trading platform in JV with Debitos today present in Italy and Greece.

These innovation-driven activities will further enhance doValue's growth in the future.





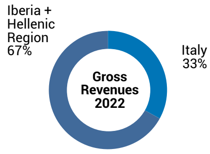


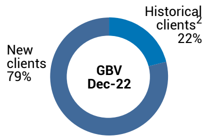
A track record of diversification

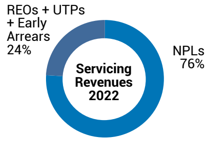
Achieved substantial diversification in terms of geographies and clients, ability to operate across the entire credit spectrum

doValue business has become increasingly diversified since its IPO: doValue has evolved from a NPL servicer focussed on the Italian market and serving two main clients to the leading credit servicing platform in Southern Europe, with a very complete product offering across the entire credit spectrum and having built a portfolio of more than 70 different clients (encompassing commercial banks, bad banks, investors, and securitisation vehicles).

	At IPO	Today
Geographies	One Country	#1 position in Southern Europe c. 20% market share[1] Active in 5 different countries
Clients	Concentrated client base	High level of independence and diversification with over 70 different clients
Products	NPL Only	Broadest product offering in Southern Europe Ability to support clients across the entire credit and real estate spectrum







Post-IPO diversification

Notes

1) Calculated as doValue GBV divided by aggregate GBV of services operating in Southern Europe
2) Historical clients refer to UniCredit and Fortress

doValue strategic evolution

Leading the evolution of the credit servicing industry in a broadened reference market

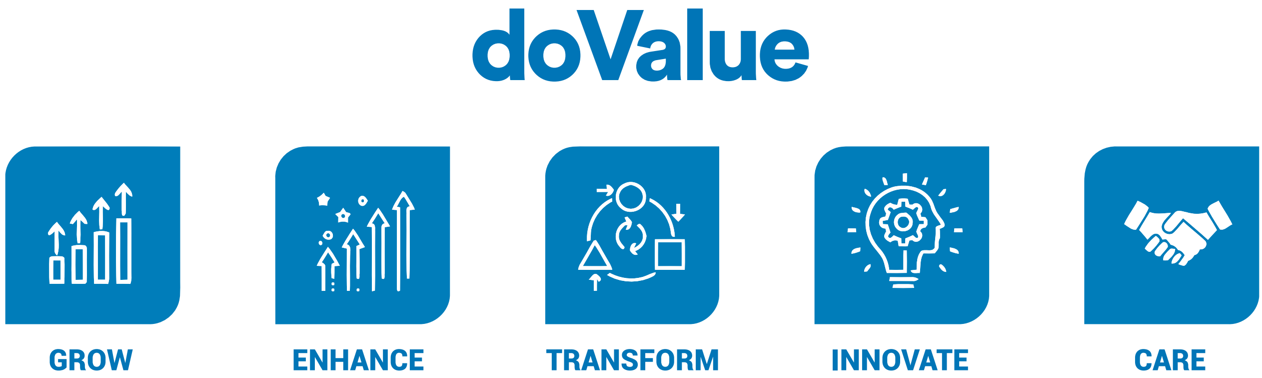
The doValue journey since its IPO has already seen the Group achieving a strong degree of diversification and scale on the back of the acquisitions performed (Altamira Asset Management and FPS). These acquisitions have been fully integrated and a cross fertilisation exercise has been already commenced and will further deepen in the next years.

2017-2020	2020-2021	2022-2024... and beyond	
Achieving **diversification** and **scale**	Pursuing **integration** and **cross fertilisation** between **geographies**	Leading the **evolution** of the credit servicing industry through investments in **Technology**	Strengthening **strategic** and **long term partnership** with banks and investors in a **broadened reference market**

Strategic pillars of doValue 2024

The 2022-2024 Business Plan is based on five main pillars: Grow, Enhance, Transform, Innovate and Care

The vision around “doValue 2024” mainly revolves around the Group ability to lead the evolution of the servicing industry through investments in technology as well as through its ability to strengthen strategic and long-term partnerships with banks and investors in a broader reference market.



GROW

Gross Revenues and EBITDA are expected to grow in the 2022-2024 Business Plan period notwithstanding a substantial stability in headline GBV level. It is also expected an improvement of the average vintage of GBV through an increase of the Collection Rate and activity aimed at securing new mandates with volumes comparable to the activity of the last years. Such rotation of the assets under management, together with a cross selling of products and services between countries, will allow to extract more revenues with the same headline GBV. Such results will be achieved through a limited capital deployment, in line with doValue historical track record of being a capital light credit servicer. Further upside potentially derives from a possible acceleration in the formation of new NPEs in the reference markets.

Replenish GBV organically

- Increase market share with new clients

  Capitalise on forward flows agreements with existing clients
- Limited balance sheet deployment for new servicing contracts
- Revenue and EBITDA growth based on extracting more value out of a stable headline GBV
- Post COVID / post-moratoria market opportunity as additional upside

Track Record

≈€9bn
new mandates per annum
(average 2019-2021)

\+

≈€5bn
forward flows
per annum
(average 2019-2021)

=

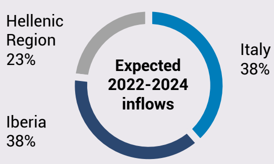
≈€14bn
per annum

vs ≈€10bn
average per annum guidance

Business Plan

≈€13-14bn
expected average inflows
per annum in 2022-2024

Including both forward flows agreements and mandates from new clients



Inflows assumption in line with recent history.
New NPE formation post moratoria as additional upside not incorporated in Business Plan

ENHANCE

The 2022-2024 Business Plan incorporates an increase in the level of cross fertilisation amongst the regions in terms of products, capabilities, and adoption of best practices. The plan includes further deployment of existing REOs and Early Arrears platforms established in Italy and Greece and UTP and Early Arrears to be activated in Spain coupled with a more significant offering of ancillary services in Spain, Cyprus, and Portugal.

Enhance product offering

- Cross fertilisation across geographies client and products
- Leveraging on best practices within the doValue Group
- Climb the credit value-chain upwards from NPLs to performing loans
- Capitalise on client base to sell more products per unit of GBV managed

	At IPO	2021	2024
NPL			
REO	-		
UTP	-		
Early Arrears	-		
Services			

Expansion of product portfolio vs status quo
Fully exploit platforms already set-up in 2020-2021
for revenue generation in 2022-2024

TRANSFORM

The doTransformation programme is at the heart of the 2022-2024 Business Plan. The doTransformation programme will leverage on the recently created Group structure and is aimed at supporting both revenue growth as well as cost control and reduction, also through an improved approach to outsourcing. Transformation means extracting more revenues per unit of GBV managed, enhancing productivity in order to lower costs per unit of GBV managed, update the operating model to reduce cost break-even point and strengthening human capital.

doTransformation

- Extract more revenues per unit of GBV managed
- Enhance productivity to lower costs per GBV managed
- Update operating model and reduce cost break-even point
- Strengthen human capital

Strategic actions

Centralisation of Group Governance
Enpower Regional Concept
Establish Back-Office Hubs
Centralise IT Group Services
Optimise Cost Base
Improve Client Service
Enhance Recovery Capabilities
Reinforce Sale Capabilities
Enhance Technological Platform
Boost Data Analytics
Improve Track Record
Win More Business

≈€45m
investment for Global and Local Trasformation (2022-2024)

Run rate
≈€25-30m
in saving per annum after 2024 (incl. Ops)

INNOVATE

Innovation has historically been a key focus for doValue and it has been realised both internally, through JVs or acquisitions. The push for innovation will accelerate with the 2022-2024 Business Plan, with main areas of focus revolving around the way data are managed, processes are structured also tapping into the recently acquired capabilities in terms of fintech (QueroQuitar) and proptech (BidX1). Further innovation will involve areas around artificial intelligence, credit information, legal services, business process outsourcing, early delinquencies and granular UTPs, and some of these are likely to be pursued through M&A. All in all, innovation will allow doValue to increase the scope of its reference market, further decrease correlation with the credit cycle and accelerate the move from a labour-intensive business model towards a more technology-driven approach.

Innovation strategy developed internally (Innovation Centre) and through M&A

- Drive long-term sustainable growth
- Increase scope of reference market
- Foster innovation across the doValue ecosystem
- New services and value proposition for existing and new clients
- Decrease correlation with credit cycle
- Move from labour-intensive model to technology-driven model

doLook

2020

- Joint venture between doValue and Debitos
- Online NPL trading platform
- Exclusive partnership for Italian and Greek NPLs (expanding into Spain)

QueroQuitar

2021

- Brazilian fintech company
- App for unsecured credit management platform
- Import innovative recovery strategies in Europe
  - Leveraging on calendar provisioning

BidX1.

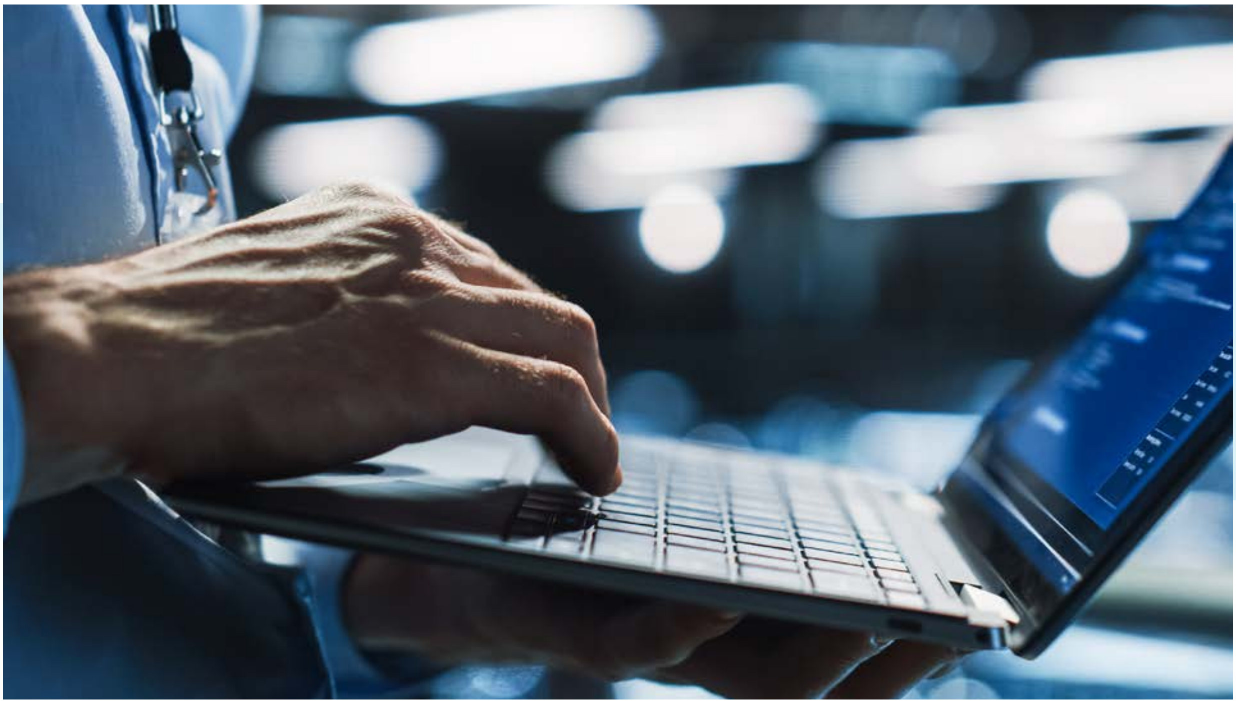
2021

- Irish Prop-Tech company
- Online real estate auction platform
  - Both performing and non performing assets
- Partnership to develop BidX1 within doValue and support its third-party growth

Acquisition Pipeline
(not factored in 2022-2024 Business Plan)

Prop-Tech and Fin-Tech
Big Data and Artificial Intelligence
Credit Info, Legal Services and BPO
Early delinquencies and Granular UTPs

Innovation budget equal to 10% of doTransformation plan (2022-2024)



CARE

Sustainability is a key focus of doValue and in 2021 the Group approved its first Sustainability Plan and the associated sustainability policy. doValue plays an important and delicate role in the financial ecosystem and this means acting professionally, responsibly, and sensitively vis a vis clients, regulators, and debtors. Lastly, doValue is a people's business, so a particular care towards employees in terms of training, inclusion and retention is of paramount importance. The serious and concrete approach to operational excellence and sustainability is demonstrated by doValue consistently high scores in terms of Servicing Ratings and ESG Ratings.

Act professionally, responsibly and sensitively

Clients

Performance

Reputation

Operational excellence

Data treatment

Regulators

Legal framework

Compliance

Regulation

Multiple jurisdictions

Debtors

Ethical processes & fair treatment

Extrajudicial recovery processes

Data security and privacy

Anti-corruption oversight

Employees

Training & development

Compensation & benefits

Diversity & inclusion

Engagement & talent retention

Best in class Servicer and ESG Ratings demonstrate ongoing operational excellence for the benefit of all key stakeholders

Servicer Ratings	Rating	Scope
Fitch (Special Servicer)	Level 1 (Feb-22)	Operation Performance Control Systems IT & Operations Human Resources
S&P (Special Servicer)	Strong (Feb-22)	
Fitch (Primary Servicer)	Level 2 (Feb-22)	
S&P (Primary Servicer)	Strong (Feb-22)	
Fitch (Master Servicer)	Level 2 (Feb-22)	

ESG Rating	Rating	Scope
MSCI ESG Ratings	AAA (Mar-23)	Environmental Socia Governance
Sustainalytics	Low Risk (Jul-22)	
Video Eiris	Limited Risk (Jan-21)	

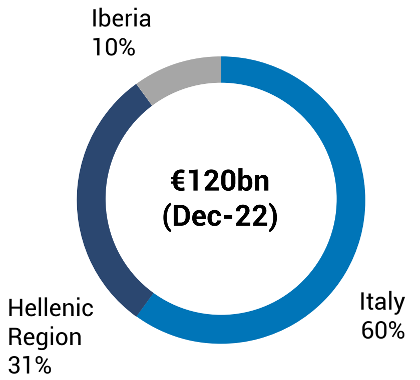
A well-diversified business

doValue business is well-diversified in terms of clients, geographies, and products

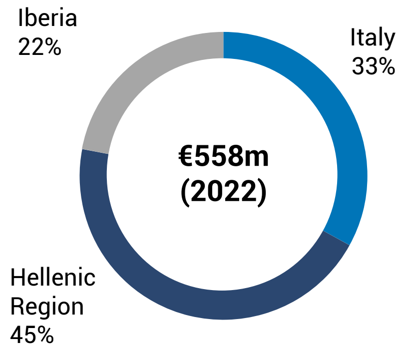
Well diversified GBV by region and client type

- Higher share of Revenues vs GBV related to the Hellenic Region and Iberia reflects difference in average vintage (and higher fees) vs Italy
  - Younger vintages lead to higher collection rates and higher revenues
- Higher share of Revenues vs GBV from Commercial Banks reflects higher than average fees related to acquired contracts
  - In particular in relation to Santander and Eurobank contracts.

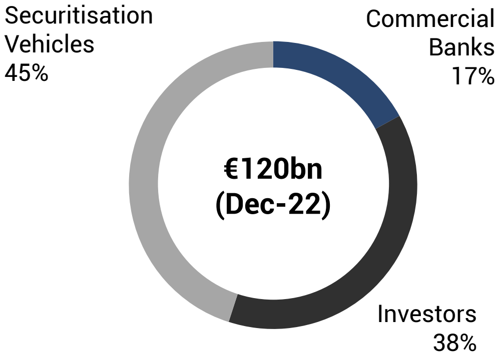
GBV by region



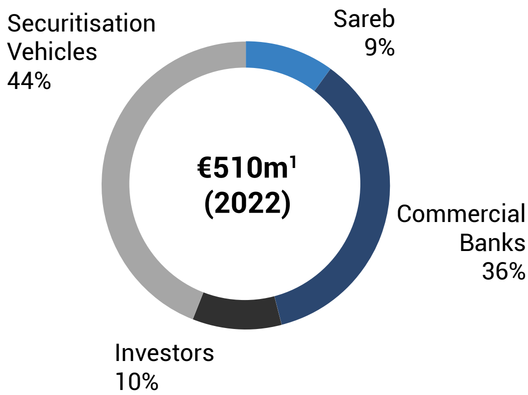
Gross Revenues by region



GBV by client type



Gross Revenues by client type

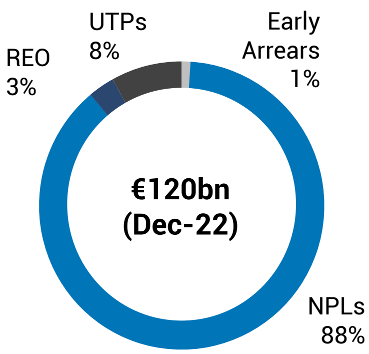


Note
1) Gross Revenues including Servicing Revenues only

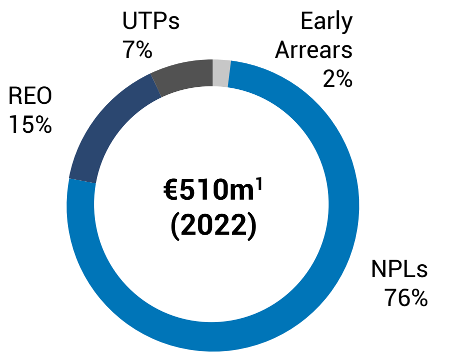
Well diversified GBV by product and security

- Higher share of Revenues from non-NPL products reflects higher fees on such products as well as the regions associated with those products
  - REO well developed in Spain and Cyprus
  - UTP well developed both in Italy and in Greece
  - Early Arrears well developed in Greece and pilot to be launched in Italy in March 2022
- High quality book composed mostly of large, secured assets.

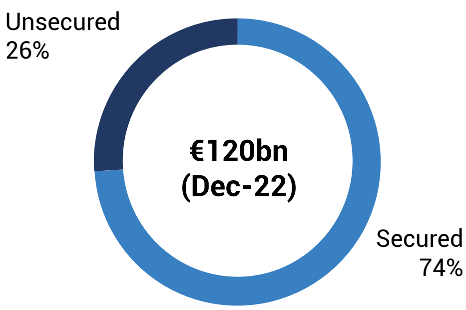
GBV by product



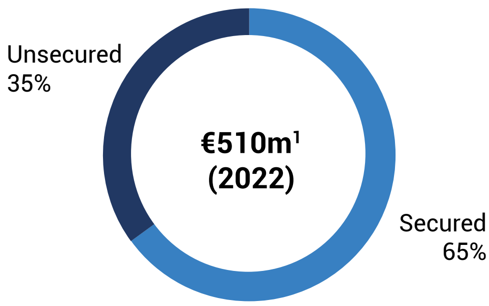
Gross Revenues by product



GBV by security



Gross Revenues by security



Note
1) Gross Revenues including Servicing Revenues only

Regional performance
A well balance regional exposure

Focus on Italy

The Italian market has reached a relatively high degree of maturity, with most banks having widely deployed securitisations schemes (also through the GACS framework) to deconsolidate portfolios. In this context doValue has, over the years, proactively adapted its business to consider a normalising fee environment whilst in parallel working on securing mandates and broadening its client base. The 2022-2024 Business Plan for Italy is based on revenue growth underpinned by strong origination activity and improved collection rates, an increase in activity related to more profitable businesses such as UTPs and Early Arrears and a disciplined cost control activity.

Focus on the Hellenic Region

The market in the Hellenic Region is in a relatively early stage of development, with most key credit servicers having been carved out from banks only in the last few years and with servicing fees being significantly higher than other markets in Europe. The relatively early-stage development of the sector coupled with the relatively concentrated nature of the servicing market will support the fee levels in the next years. All these factors make the Hellenic Region a very attractive market for doValue. In the Hellenic Region, doValue displays a very complete product offering, (NPLs, to REOs, to UTPs and Early Arrears). All these ingredients make the Hellenic Region a crucial element of the 2022-2024 Business Plan.

Focus on Iberia

The credit and real estate servicing market structure in Iberia remains relatively fragmented, and the Sareb tender process has represented a substantial discontinuity in such market. Sareb has been one of the two main clients of doValue in Spain, and the decision by Sareb of not renewing the contract with doValue, made in February 2022, has triggered a reorganisation of doValue's operations in Spain aimed at operating at an adequate scale preserving the profitability of the business in the Region. In general, doValue's growth in Iberia in 2023 and 2024, in particular in terms of EBITDA, will be led by a higher extraction of value from the current GBV (excluding Sareb), new servicing agreements and new revenue streams. An area of upside in Iberia is represented by the possibility of major banks outsourcing the management of their UTP and Early Arrears portfolios, which would represent a major opportunity for doValue that will be able to leverage on its consolidated track record both in Italy and Greece.

	doValue Group	Italy	Hellenic Region	Iberia
Gross Book Value	€120bn	€72bn	€37bn	€12bn
Collections	€5.5bn	€1.7bn (31% of tot)	€1.8bn (33% of tot)	€2.0bn (36% of tot)
Collection Rate	4.1%	2.5%	6.1%	9.2%
Gross Revenues	€558m	€183m (33% of tot)	€253m (45% of tot)	€123m (22% of tot)
EBITDA ex NRIs	€202m	€48m (24% of tot)	€149m (74% of tot)	€4m (2% of tot)
EBITDA margin ex NRIs	36%	26%	59%	4%

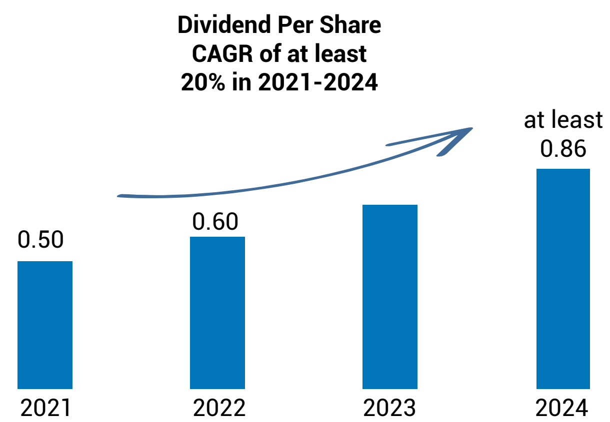
Shareholders' remuneration

Attractive shareholders' remuneration based on an updated dividend policy

As discussed in the context of the presentation of the 2022-2024 Business Plan on January 26, 2022, the strong expected cash flow generation of the Group for the next three years and the shift towards a more organic approach to growth in the Business Plan horizon enables an upgrade of the Group dividend policy towards a construct, which allows more distributions to the shareholders with an increased level of visibility.

In particular, doValue is committing to it's a Dividend per Share CAGR in 2021-2024 of at least 20%, implying total dividend paid of at least €200 million in relation to the fiscal years 2021-2024. doValue reserves itself the possibility to further increase distributions to shareholders through dividends and / or share buy backs if limited M&A activity is performed.

Dividend Per Share (€)



> €200m

Total dividends to be paid related to Fiscal Years 2021-2024

Potential to increase distributions throughout the 2022-2024 plan through additional dividends and / or share buy back (in case of limited M&A activity)

Sustainability for the Group doValue

Sustainability is one of the five pillars of the 2022-2024 doValue Business Plan.
The Group continues to integrate ESG issues into its business strategy: the 2021-2023 Sustainability Plan represents a fundamental stage in a process launched in 2016 to integrate ESG issues into doValue's business strategy and generate long-term sustainable value for shareholders, investors, employees, customers, suppliers, the External Network and local communities.

THE PATH TO SUSTAINABLE GROWTH

2017

doValue published the first Consolidated Non-Financial Statement (CNFS) and started the process of integrating Sustainability into the corporate strategy.

2018

doValue drew up a Policy for preparing the Consolidated Non-Financial Statement and defined the governance of the document preparation process.

2019

Following the internationalisation process, doValue integrated doValue Spain, today with its subsidiaries in Portugal and Cyprus in the reporting scope.

2020

The fourth Consolidated Non-Financial Statement included doValue Greece in the reporting scope. doValue start constant dialogue with the principal ESG Rating Agencies: MSCI and Sustainalytics.

2021

doValue published the 2021-2023 Policy and Sustainability Plan. MSCI ESG Ratings increased the Group's ESG rating from level "A" to level "AA".

2022

doValue defines the Charter of Values and broadens the Stakeholder Engagement activity. It met all 2022 Sustainability Plan targets. Sustainalytics increased the ESG Risk Rating from "Medium Risk" to "Low Risk".

The 2021-2023 Sustainability Plan, which is founded on listening to stakeholders is focused on three areas of commitment consistent with the business strategy and in line with the SDGs - Sustainable Development Goals - of the United Nations 2030 Agenda:

Operating Responsibly, Attention to People and Care the Environmen are the pillars of the 2021-2023 Sustainability Plan on which doValue continues to commit itself to actively contribute to a more inclusive and sustainable future.

OPERATING RESPONSIBLY

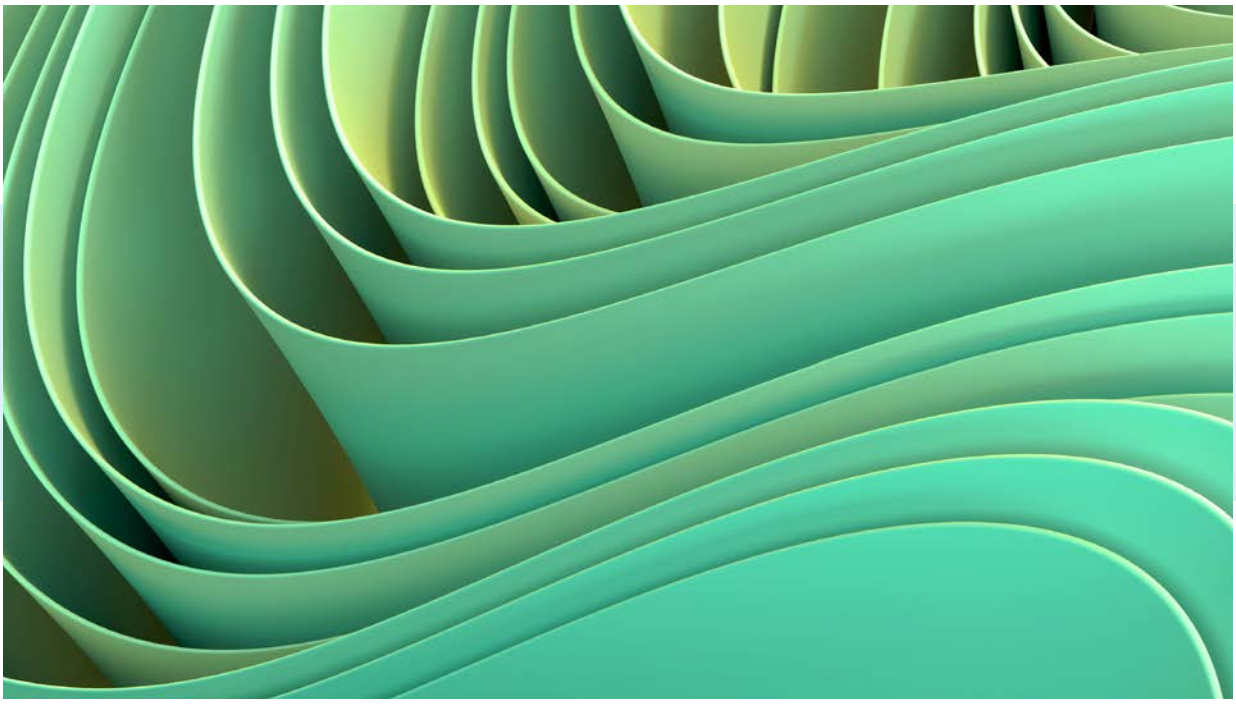
The respect for the highest ethical and moral standards - and the mitigation of risks are fundamental principles for doValue to operate responsibly and to build stakeholder trust. The Group is committed to respecting and enhancing these principles in the management of relations with all stakeholders, as well as in decision-making processes.

ATTENTION TO PEOPLE

doValue recognises the value of the people who work hard and dedicate themselves every day, contributing to the development of the Group's activities and the creation of value in the medium and long term. All relationships are based on the principles of respect for human rights, empowerment of individuals, inclusion, diversity and non-discrimination.
Attention to people also translates into support for the local communities and territories in which it operates.

CARE FOR THE ENVIRONMENT

The respect for the highest ethical and moral standards - and the mitigation of risks are fundamental principles for doValue to operate responsibly and to build stakeholder trust. The Group is committed to respecting and enhancing these principles in the management of relations with all stakeholders, as well as in decision-making processes.



In defining the strategic drivers and related tasks, the priorities defined in the 2030 Agenda for Sustainable Development (Sustainable Development Goals - SDGs) were taken into account, thus contributing to their achievement. Of the 17 macro-goals described by the SDGs, the Group contributes to:

- SDG 4 - quality education;
- SDG 7 - affordable and clean energy;
- SDG 8 - decent work and economic growth;
- SDG 10 - reduced inequalities;
- SDG 12 - responsible consumption and production.

OUR CONTRIBUTION TO THE SDGs

3 Pillars

OPERATING RESPONSIBLY

ATTENTION TO PEOPLE

CARE FOR THE ENVIRONMENT

3 Issues

1 Governance and business integrity

2 Training and social inclusion

3 Sustainable consumption and management of natural resources

Sustainable Development Goals

8 LAVORO DIGNITOSO E CRESCITA ECONOMICA — 8.10 Strengthen the capacity of national financial institutions to encourage and expand access to banking, insurance and financial services for all

4 ISTRUZIONE DI QUALITÀ — 4.4 By 2030, significantly increase the number of young people and adults with the necessary skills, including technical and vocational skills, for employment, dignified work and entrepreneurial skills

10 RIDURRE LE DISUGUAGLIANZE — 10.2 By 2030, enhance and promote the social, economic and political inclusion of all, regardless of age, gender, disability, race, ethnicity, origin, religion, economic or other status

7 ENERGIA PULITA E ACCESSIBILE — 7.2 By 2030, significantly increase the share of renewable energies in the global energy mix

12 CONSUMO E PRODUZIONE RESPONSABILI — By 2030, achieve sustainable management and efficient use of natural resources

At 31 December 2022, the Group had achieved the following targets:

Objectives	2021-2022 targets met	SDGs
OPERATING RESPONSIBLY		
Ensuring that business activities are conducted under applicable legislation and to the highest ethical and moral standards	Implementation of a group anti-corruption framework. Achieving ISO 37001 certification for doValue S.p.A. and retaining certification in subsequent years.	8 LAVORO DIGNITOSO E CRESCITA ECONOMICA
Consolidating information security management systems and ensuring maximum respect for privacy	All employees trained in cyber security.	
Integrating ESG objectives into business strategy	Inclusion of Employee Engagement as an MBO variable for Managers with Strategic Responsibilities.	
Continuing to provide a quality, professional and transparent service	Group-wide implementation of a customer satisfaction model using the Net Promoter Score (NPS) methodology by 2022.	
ATTENTION TO PEOPLE		
Promoting the professional and personal development of employees and collaborators	Promoting annual training plans covering both soft and hard skills in line with company and local needs. Integration of the values of doValue within the performance evaluation model.	4 ISTRUZIONE DI QUALITÀ 10 RIDURRE LE DISUGUAGLIANZE
Spreading a culture of inclusivity and non-discrimination	Creation of a Group Diversity & Inclusion Council and definition of a Group-wide D&I strategy. Launch specific programmes and activities to strengthen the culture of inclusion and value diversity. Launch a group-wide D&I awareness and education campaign.	
Supporting business continuity	Global mapping of key figures and definition of a succession plan by 2022.	
Promoting the satisfaction, health and well-being of employees and collaborators	People Engagement Survey participation of employees and collaborators consistently above 70%. Launch at least 1-2 activities and programmes annually to support employees' mental and physical health and launch local initiatives to support work-life balance.	
Promoting and supporting the communities in the areas concerned	Implement guidelines to define a group-wide framework for implementing activities to support local communities.	
CARE FOR THE ENVIRONMENT		
Reduce energy consumption and promote the use of renewable energy to combat climate change	Implement solutions to increase the energy efficiency of Head Offices.	7 ENERGIA PULITA E ACCESSIBILE 12 CONSUMO E PRODUZIONE RESPONSABILI
Reduce material consumption and purchase materials with sustainable characteristics for office activities	All paper purchased with sustainability characteristics (FSC, PEFC or EcoLabel certified).	
Harmonise environmental impact management at Group level	Implement guidelines to define a reference framework for the local management of environmental issues.	

The Group Sustainability Plan identifies the significant ESG areas for the Group. It envisages for the years to come, continuous implementation of projects and initiatives aimed at achieving the following targets:

Objectives	2023 targets	SDGs
OPERATING RESPONSIBLY		
Ensure that business activities are conducted under applicable legislation and the highest ethical and moral standards	75% of employees trained in Code of Ethics, anti-corruption	
Consolidate information security management systems and ensure maximum respect for privacy	75% of employees trained in privacy	8 LAVORO DIGNITOSO E CRESCITA ECONOMICA
Promote sustainability along the supply chain	All suppliers in Italy, Spain and Greece assessed according to sustainability criteria	
ATTENTION TO PEOPLE		
Promoting the satisfaction, health and well-being of employees and collaborators	People Engagement Survey participation of employees and collaborators consistently above 70%	4 ISTRUZIONE DI QUALITÀ 10 RIDURRE LE DISUGUAGLIANZE
CARE FOR THE ENVIRONMENT		
Reduce energy consumption and promoting the use of renewable energy to combat climate change	Purchase of certified 100% renewable electricity, reducing related Scope 2 emissions (market-based method)	7 ENERGIA PULITA E ACCESSIBILE 12 CONSUMO E PRODUZIONE RESPONSABILI

Rating ESG

The Group's commitment to adopting best practices in the interest of its stakeholders, is also confirmed by Sustainalytics (a company part of the Morningstar Group) that increased the Group's ESG Risk Rating from "Medium Risk" to "Low Risk" in July 2022, in line with the continuous improvement trajectory followed by the Company since the first rating awarded by Sustainalytics in October 2020.
The recognition rating received by Sustainalytics confirms the strong and constant commitment of doValue to adopt high quality standards and to act responsibly to promote the creation of sustainable value in the medium-long term in the interest of all stakeholders. The doValue ESG Framework is also rated by MSCI ESG Ratings (AAA rating).

The Group's Sustainability Policy

The integration of sustainability into the corporate regulatory system has led to the definition of the doValue Group Sustainability Policy, which provides guiding principles for the social and environmental areas identified as priorities and promotes a corporate culture oriented towards sustainable development.

The Sustainability Policy applies to all Group companies and has been drawn up in line with the principles and values defined by the Code of Ethics, the Organisational, Management and Control Models adopted by the Group companies pursuant to Italian Legislative Decree 231/2001 and other policies and procedures approved by the Board of Directors.

Governance & Sustainability

The constant involvement and commitment of the Board of Directors and the Related Party Risks and Sustainability Committee are a clear indicator of how ESG issues play a central role in the Group's Governance.

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

Group Structure

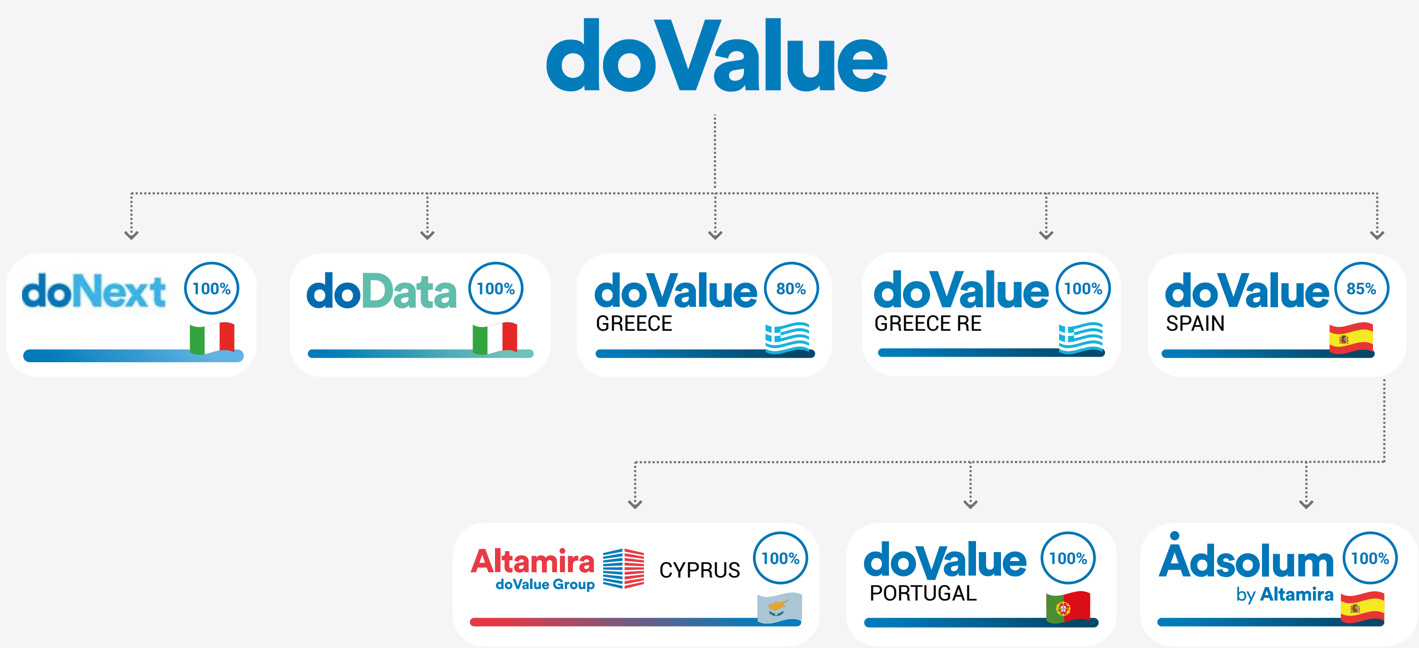
With more than 20 years of experience and approximately €120 billion of assets under management, the doValue Group is the main operator in Southern Europe in the management of credit portfolios and real estate assets deriving from non-performing loans.

The doValue Group offer to its customers, both banks and investors, services for the management of portfolios of non-performing loans (NPL), unlikely to pay (UTP), early arrears and performing loans. The doValue Group is also active in the management and development of real estate assets deriving from non-performing loans (real estate owned, REO).

In addition, the doValue Group offers a broad set of ancillary services (master legal services, due diligence services, data management services and master servicing activities).

The shares of the doValue Group have been listed on Euronext Milan since 2017. In addition, doValue has been admitted to the STAR segment of Euronext Milan in 2022.

The following chart shows the structure of the Group as at December 31, 2022, and reflects the organic and external growth and diversification of doValue over 20 years of operations. The chart also reflects the rebranding by Altamira Asset Management, which was completed in February 2023, changing its name from Altamira Asset Management S.A. to doValue Spain Servicing S.A. (hereinafter also "doValue Spain").



doValue: a story of growth and diversification

GBV

€77 bn — **2017**

Listing on Borsa Italiana (now Euronext Milan)

€82 bn — **2017**

doBank enters the Greek servicing market and announces the acquisition of Altamira Asset Management, active in Spain, Portugal and Cyprus

€132 bn — **2019**

doBank renounce to its banking license and takes on the name doValue, completes the acquisition of Altamira (today doValue Spain) and becomes market leader in Southern Europe

doValue announces the acquisition of Greek servicer FPS Loans and Credits Claim Management

€158 bn — **2020**

doValue completes the acquisition of FPS (today doValue Greece) and becomes market leader in Greece

doValue has completed the issue of its first bond

€150 bn — **2021**

doValue signs an agreement for the investment in a stake of c.10% in Brazilian fintech company QueroQuitar

doValue completes the issuance of its second bond

doValue acquires an approximately 15% stake in Irish proptech company BidX1

€120 bn — **2022**

doValue admitted to the STAR segment of Euronext Milan

Expiry of the contract with Sareb and off-boarding of its €21 bn portfolio

Directors' Report on the Group

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.

01 The Group's business

€120bn
IN ASSET
UNDER MANAGEMENT

RATING

RSS1- / CSS1-
FITCH RATINGS

STRONG
STANDARD & POOR'S

The doValue Group 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 Group provides services in the following categories:

- **NPL Servicing:** the administration, management and recovery of loans utilising in court and out-of-court recovery processes for and on behalf of third parties for portfolios mainly consisting 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, 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 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 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**".

02 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 more regular 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).

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)

1 EBA Risk Dashboard Q3 2022

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 Group Highlights

The tables below show the main economic and financial data of the Group extracted from the related condensed statements, which are subsequently represented in the section of the Group Results as at December 31, 2022.

(€/000)

Key data of the consolidated income statement	12/31/2022	12/31/2021	Change €	Change %
Gross revenues	558,249	572,051	(13,802)	(2.4)%
Net revenues	500,420	506,467	(6,047)	(1.2)%
Operating expenses	(301,712)	(307,120)	5,408	(1.8)%
EBITDA	198,708	199,347	(639)	(0.3)%
EBITDA margin	36%	35%	1%	2.1%
Non-recurring items included in EBITDA[1]	(2,979)	(1,572)	(1,407)	89.5%
EBITDA excluding non-recurring items	201,687	200,919	768	0.4%
EBITDA margin excluding non-recurring items	36%	35%	1%	2.9%
EBT	62,829	48,289	14,540	30.1%
EBT margin	11%	8%	3%	33.3%
Profit (loss) for the period attributable to the Shareholders of the Parent Company	16,502	23,744	(7,242)	(30.5)%
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring item	50,563	50,721	(158)	(0.3)%

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

(€/000)

Key data of the consolidated balance sheet	12/31/2022	12/31/2021	Change €	Change %
Cash and liquid securities	134,264	166,668	(32,404)	(19.4%)
Intangible assets	526,888	545,225	(18,337)	(3.4%)
Financial assets	57,984	61,961	(3,977)	(6.4%)
Trade receivables	200,143	206,326	(6,183)	(3.0%)
Tax assets	118,226	152,996	(34,770)	(22.7%)
Financial liabilities	684,984	644,476	40,508	6.3%
Trade payables	70,381	73,710	(3,329)	(4.5%)
Tax Liabilities	67,797	113,060	(45,263)	(40.0%)
Other liabilities	75,754	104,888	(29,134)	(27.8%)
Provisions for risks and charges	37,655	44,235	(6,580)	(14.9%)
Group Shareholders' equity	**136,559**	**156,645**	**(20,086)**	**(12.8%)**

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

(€/000)

KPIs	12/31/2022	12/31/2021
Gross Book Value (EoP) - Group	120,478,346	149,486,889
Collections of the period - Group	5,494,503	5,743,101
LTM Collections/GBV EoP - Group - Stock	4.1%	4.3%
Gross Book Value (EoP) - Italy	72,031,038	75,965,150
Collections of the period - Italy	1,707,403	1,698,356
LTM Collections / GBV EoP - Italy - Stock	2.5%	2.4%
Gross Book Value (EoP) - Iberia	11,650,908	41,523,359
Collections of the period - Iberia	1,965,314	2,726,453
LTM Collections/GBV EoP - Iberia - Stock	9.2%	6.6%
Gross Book Value (EoP) - Hellenic Region	36,796,401	31,998,380
Collections of the period - Hellenic Region	1,821,787	1,318,292
LTM Collections/GBV EoP - Hellenic Region - Stock	6.1%	6.0%
Staff FTE / Total FTE Group	45.0%	44.5%
EBITDA	198,708	199,347
Non-recurring items (NRIs) included in EBITDA	(2,979)	(1,572)
EBITDA excluding non-recurring items	201,687	200,919
EBITDA margin	35.6%	34.9%
EBITDA margin excluding non-recurring items	36.1%	35.1%
Profit (loss) for the period attributable to the Shareholders of the Parent Company	16,502	23,744
Non-recurring items included in Profit (loss) for the period attributable to the Shareholders of the Parent Company	(34,061)	(26,977)
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	50,563	50,721
Earnings per share (Euro)	0.21	0.30
Earnings per share excluding non-recurring items (Euro)	0.64	0.64
Capex	30,833	29,640
EBITDA - Capex	167,875	169,707
Net Working Capital	129,762	132,616
Net Financial Position	(429,859)	(401,791)
Leverage (Net Debt/EBITDA excluding non-recurring items)	2.1x	2.0x

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 the Group, 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.

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

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

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

EBITDA and Profit (loss) for the period attributable to the Shareholders of the Parent Company 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 Group's ability to generate cash.

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

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

Leverage: this is the ratio between the Net Financial Position and EBITDA excluding non-recurring items for the last 12 months (possibly adjusted pro-forma to take account of significant transactions from the start of the reference year). It represents an indicator of the Group's debt level.

0.4 Group 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 on the Group, we have included a reconciliation between the condensed income statement reported below and the income statement provided in the consolidated financial statements section.

PERFORMANCE

(€/000)

Condensed Income Statement	12/31/2022	12/31/2021	Change €	Change %
Servicing Revenues:	510,164	528,626	(18,462)	(3.5)%
o/w: NPE revenues	433,538	446,097	(12,559)	(2.8)%
o/w: REO revenues	76,626	82,529	(5,903)	(7.2)%
Co-investment revenues	1,507	8,846	(7,339)	(83.0)%
Ancillary and other revenues	46,578	34,579	11,999	34.7%
Gross revenues	**558,249**	**572,051**	**(13,802)**	**(2.4)%**
NPE Outsourcing fees	(20,913)	(29,998)	9,085	(30.3)%
REO Outsourcing fees	(22,631)	(24,217)	1,586	(6.6)%
Ancillary Outsourcing fees	(14,285)	(11,369)	(2,916)	25.7%
Net revenues	**500,420**	**506,467**	**(6,047)**	**(1.2)%**
Staff expenses	(212,395)	(215,851)	3,456	(1.6)%
Administrative expenses	(89,317)	(91,269)	1,952	(2.1)%
Total o.w. IT	(33,034)	(30,183)	(2,851)	9.5%
Total o.w. Real Estate	(5,586)	(6,159)	573	(9.3)%
Total o.w. SG&A	(50,697)	(54,927)	4,230	(7.7)%
Operating expenses	**(301,712)**	**(307,120)**	**5,408**	**(1.8)%**
EBITDA	**198,708**	**199,347**	**(639)**	**(0.3)%**
EBITDA margin	**36%**	**35%**	**1%**	**2.1%**
Non-recurring items included in EBITDA[1]	(2,979)	(1,572)	(1,407)	89.5%
EBITDA excluding non-recurring items	**201,687**	**200,919**	**768**	**0.4%**
EBITDA margin excluding non-recurring items	**36.1%**	**35.1%**	**1.0%**	**2.9%**
Net write-downs on property, plant, equipment and intangibles	(71,021)	(94,371)	23,350	(24.7)%
Net provisions for risks and charges	(13,963)	(25,547)	11,584	(45.3)%
Net write-downs of loans	493	545	(52)	(9.5)%
Profit (loss) from equity investments	-	83	(83)	(100.0)%
EBIT	**114,217**	**80,057**	**34,160**	**42.7%**
Net income (loss) on financial assets and liabilities measured at fair value	(22,520)	1,071	(23,591)	n.s.
Net financial interest and commissions	(28,868)	(32,839)	3,971	(12.1)%
EBT	**62,829**	**48,289**	**14,540**	**30.1%**
Non-recurring items included in EBT[2]	(35,901)	(33,350)	(2,551)	7.7%
EBT excluding non-recurring items	**98,730**	**81,639**	**17,091**	**20.9%**
Income tax for the period	(36,354)	(15,116)	(21,238)	140.5%
Profit (Loss) for the period	**26,475**	**33,173**	**(6,698)**	**(20.2)%**
Profit (loss) for the period attributable to Non-controlling interests	(9,973)	(9,429)	(544)	5.8%
Profit (Loss) for the period attributable to the Shareholders of the Parent Company	**16,502**	**23,744**	**(7,242)**	**(30.5)%**
Non-recurring items included in Profit (loss) for the period	(35,494)	(29,481)	(6,013)	20.4%
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interests	(1,433)	(2,504)	1,071	(42.8)%
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	**50,563**	**50,721**	**(158)**	**(0.3)%**
Profit (loss) for the period attributable to Non-controlling interests excluding non-recurring items	11,406	11,933	(527)	(4.4)%
Earnings per share (in Euro)	**0.21**	**0.30**	**(0.09)**	**(30.4)%**
Earnings per share excluding non-recurring items (Euro)	0.64	0.64	-	(0.2)%

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

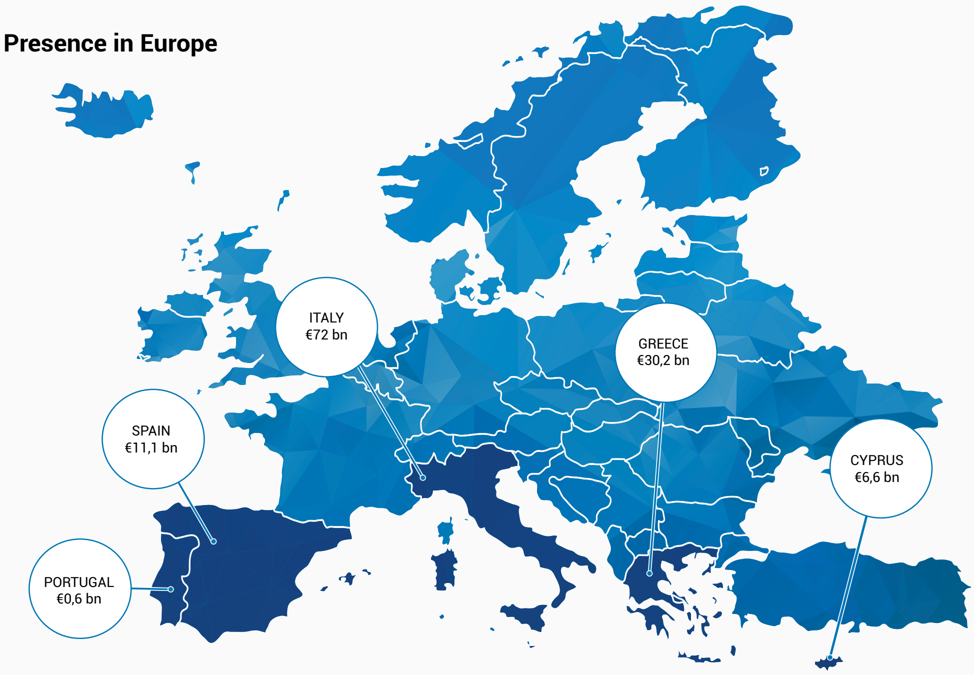
2 Non-recurring items included below EBITDA refer mainly to (i) the increased value of the Earn-out referred to doValue Greece, (ii) termination incentive plans, (iii) charges for an ongoing arbitration, (iv) insurance reimbursements, with (v) related tax effects

Portfolio under management

As at December 31, 2022, the Group's Portfolio under Managment (GBV) in the 5 reference markets of Italy, Spain, Portugal, Greece and Cyprus amounted to €120.5 billion, a decrease of approximately 19% compared to €149.5 billion as at December 31, 2021, mainly due to the off-boarding of the Sareb portfolio in Spain for about €21 billion, as well as sales made by the customer banks for approximately €7 billion. Excluding the Sareb portfolio the GBV decrease would have been 5.1%.
The new flows of around €13 billion, although in line with expectations, only partially mitigated these effects.

The following chart shows the geographical distribution of the GBV: in particular for each country, the share managed as at December 31, 2022, is highlighted.

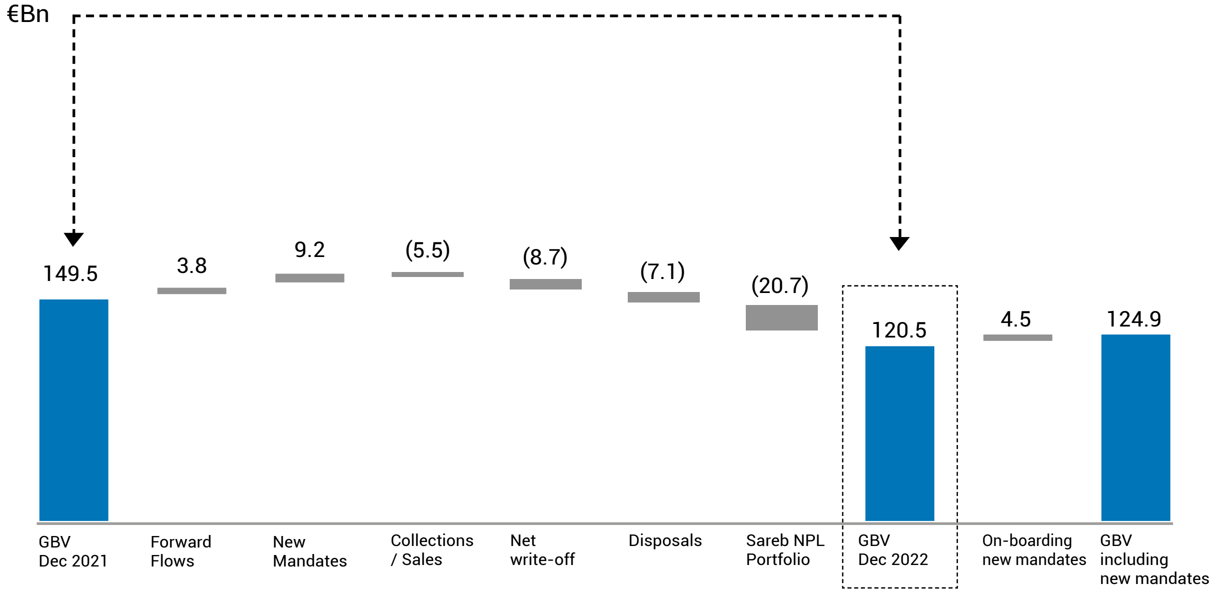
December 2021 €149,5 billion > **Geographical distribution of asset under management** > **December 2022 €120,5 billion**



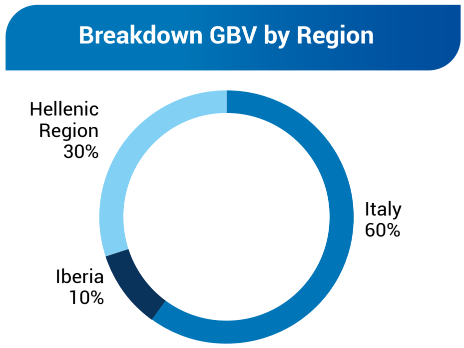
The evolution of the Portfolio under Management, which only includes onboarded portfolios, in 2022 was characterised by contracts related to new customers totalling €9.2 billion, of which approximately €7.3 billion in the Hellenic Region, approximately €0.3 billion in the Iberian Region as well as an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

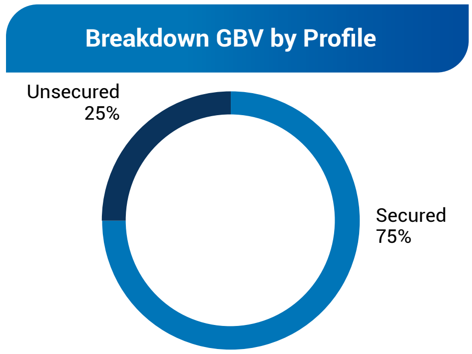
In addition to the flows listed above, a further €3.8 billion comes from existing customers through onboarded flow contracts.

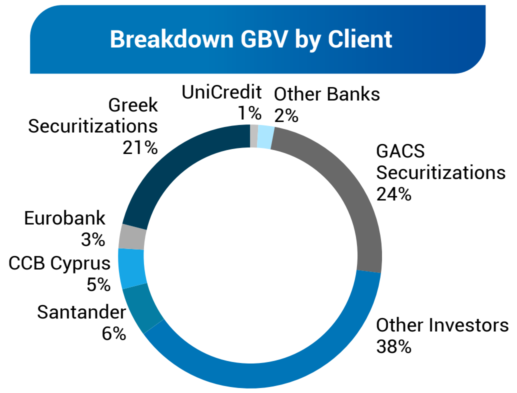
With regard to the decrease in GBV, disposals totalling €7.1 billion and write-offs totalling €8.7 billion were recorded for the period.

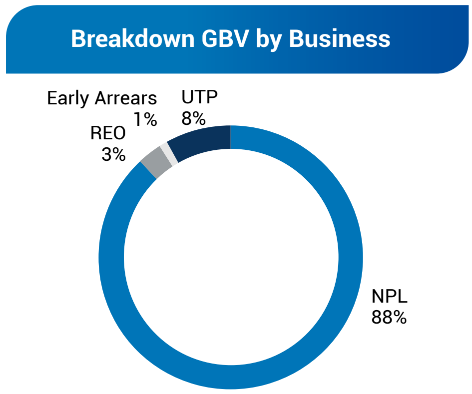


The Portfolio under Management is to be considered in further growth with respect to the picture already described above, due to new mandates acquired and currently in the onboarding phase for a total amount of €4.5 billion.









Group collections for the period amounted to €5.5 billion, a decrease of approximately 4% compared to last year (€5.7 billion), mainly due to the exit of the Sareb portfolio in Spain. The geographical breakdown of collections is as follows: €1.7 billion in Italy, €2.0 billion in Iberia and €1.8 billion in the Hellenic Region.

Isolating the effect linked to the exit of the Sareb portfolio, the figure for the period would amount to €4.7 billion, which would be compared to €4.4 billion in 2021. In this case, the increase in collections would be around €0.3 billion which corresponds to a 6% improvement in performance.

Performance

The 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 in Ukraine. 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 studies[2] , 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 (default 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 now than it was then and the financial statements of Italian banks are currently more solid.

Within this overall framework, the doValue Group recorded **gross revenues** of €558.2 million, a slight decrease of 2% compared with €572.1 million in 2021 (or an increase of 1.5% excluding Sareb). Geographically, there was an increased contribution from Italy and Hellenic region, which more than offset the decline in Iberia, mainly due to the exit of the Sareb portfolio.

Revenues from Servicing of **NPE** and **REO** assets, amounting to €510.2 million (€528.6 million in 2021), show a decrease of approximately 3%. On a product basis, revenues from NPE amounted to €433.5 million (€446.1 million in 2021), a decrease of approximately 3%, while revenues from REO amounted to €76.6 million, a decrease of 7% compared to €82.5 million in the previous year. As mentioned above, these trends are impacted by the partial contribution during the year of the Sareb portfolio, which was off-boarded between July and October 2022.

Here it is important to underline that by comparing Servicing revenues excluding the Sareb portfolio, the indicator would settle at €461.3 million against €458.5 million in 2021, with a year-on-year growth of approximately 1%.

Co-investment revenues include the €1.5 million contribution (€8.8 million in 2021) from revenues on the ABS securities for the two securitisations Romeo SPV and Mercuzio Securitisation in which doValue holds a 5% strike. It is important to point out that in the comparative period were recorded capital gains 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 capital gains related 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 of 90% of such notes.

On the other hand, the contribution of **ancillary and other revenues** is more significant, amounting to €46.6 million, up from €34.6 million in 2021, and originates mainly from income from data processing and provision services and other services related to servicing business, such as due diligence, master and structuring services, and legal services, as well as services provided in the areas of rentals, real estate development and diversified advisory and portfolio management activities.

These revenues accounted for 8% of total gross revenues for the year compared to approximately 6% in 2021.

3 Source ABI - Cerved

(€/000)

	12/31/2022	12/31/2021	Change €	Change %
NPE revenues	433,538	446,097	(12,559)	(2.8)%
REO revenues	76,626	82,529	(5,903)	(7.2)%
Co-investment revenues	1,507	8,846	(7,339)	(83.0)%
Ancillary and other revenues	46,578	34,579	11,999	34.7%
Gross revenues	**558,249**	**572,051**	**(13,802)**	**(2.4)%**
NPE Outsourcing fees	(20,913)	(29,998)	9,085	(30.3)%
REO Outsourcing fees	(22,631)	(24,217)	1,586	(6.6)%
Ancillary Outsourcing fees	(14,285)	(11,369)	(2,916)	25.7%
Net revenues	**500,420**	**506,467**	**(6,047)**	**(1.2)%**

Net revenues decreased by around 1% to €500.4 million, compared to €506.5 million in the previous year.

NPE outsourcing fees fell sharply by 30% to €20.9 million (€30.0 million in 2021), with a decrease in all perimeters, as a result of lower collections through the external network.

REO outsourcing fees decreased to €22.6 million (€24.2 million in 2021), related to the combination of two opposing effects: the decrease in the assets under management in Spain and the turnover increase in Greece due to the expanded activities carried out by the subsidiary doValue Greece Real Estate.

Ancillary outsourcing fees amounted to €14.3 million compared to €11.4 million in 2021, an increase of 26%, which was less than proportional to the increase in related revenues, thus showing a higher overall margin.

Operating expenses amounted to €301.7 million, compared to €307.1 million in 2021. The incidence on gross revenues is 54% in line with the 2021 figure. This result is even more remarkable given the ongoing reorganisation in the Iberia region.

Administrative expenses amounted to €89.3 million (compared to €91.3 million in 2021). The overall decrease of approximately 2% was mainly in the domestic perimeter where there was a decrease both in absolute value (-€1.5 million) and in relative value of revenues (from 19% to 17%), while there were no significant changes in the Greek and Iberian perimeters.

Staff expenses amounted to €212.4 million, a decrease of 2% from €215.9 million in the previous year. During 2022, the employee efficiency programme included in the approved Business Plan continued. It should be noted that personnel costs as a percentage of total gross revenues remained substantially stable at 38%.

(€/000)

	12/31/2022	12/31/2021	Change €	Change %
Staff expenses	(212,395)	(215,851)	3,456	(1.6)%
Administrative expenses	(89,317)	(91,269)	1,952	(2.1)%
o.w. IT	*(33,034)*	*(30,183)*	*(2,851)*	*9.5%*
o.w. Real Estate	*(5,586)*	*(6,159)*	*573*	*(9.3)%*
o.w. SG&A	*(50,697)*	*(54,927)*	*4,230*	*(7.7)%*
Operating expenses	**(301,712)**	**(307,120)**	**5,408**	**(1.8)%**
EBITDA	**198,708**	**199,347**	**(639)**	**(0.3)%**
o.w: Non-recurring items included in EBITDA	*(2,979)*	*(1,572)*	*(1,407)*	*89.5%*
o.w: EBITDA excluding non-recurring items	***201,687***	***200,919***	***768***	***0.4%***

The table below shows the number of FTEs (Full Time Equivalents) by geographical area.

FTEs BY REGION	12/31/2022	12/31/2021	Change €	Change %
Italy	986	994	(8)	(0.8)%
Iberia	677	807	(130)	(16.1)%
Hellenic Region	1,531	1,296	235	18.1%
Total	**3,194**	**3,097**	**97**	**3.1%**

In line with previous reporting periods, operating costs for the year include a number of **non-recurring items** (NRIs), which are shown as adjustments to EBITDA to facilitate comparison between periods and the identification of structural profitability for the Group.
These non-recurring items amounted to €3.0 million (€1.6 million in 2021) and mainly refer to consultancy costs related to extraordinary transactions aimed at business development.

EBITDA excluding non-recurring items amounted to €201.7 million (€200.9 million in December 2021) with a margin of 36% on gross revenues, up slightly from 35% in the comparative period. On a like-for-like basis, therefore excluding the effects of the Sareb portfolio, EBITDA excluding non-recurring expenses would amount to €196.0 million against €175.8 million in 2021. In this case, the better performance of the year would be appreciable with an increase of approximately €20.2 million, equivalent to 11.5%.

Including non-recurring expenses, EBITDA was €198.7 million, broadly in line with the €199.3 million reported in 2021.

Group **EBIT** amounted to €114.2 million, compared to €80.1 million in the comparative period.
EBT amounted to €62.8 million, compared to €48.3 million in the previous year. This item includes the financial costs related to the two bond issues, the delta fair value related to the notes of the Cairo securitisations, the Romeo and Mercuzio SPV securities, the provision related to the earn-out of the Greek subsidiary doValue Greece, and other minor items related to the accounting under IFRS 16.

(€/000)

	12/31/2022	12/31/2021	Change €	Change %
EBITDA	**198,708**	**199,347**	**(639)**	**(0.3)%**
Net write-downs on property, plant, equipment and intangibles	(71,021)	(94,371)	23,350	(24.7)%
Net provisions for risks and charges	(13,963)	(25,547)	11,584	(45.3)%
Net write-downs of loans	493	545	(52)	(9.5)%
Net income (losses) from investments	-	83	(83)	(100.0)%
EBIT	**114,217**	**80,057**	**34,160**	**42.7%**
Net income (loss) on financial assets and liabilities measured at fair value	(22,520)	1,071	(23,591)	n.s.
Net financial interest and commissions	(28,868)	(32,839)	3,971	(12.1)%
EBT	**62,829**	**48,289**	**14,540**	**30.1%**

In addition to the non-recurring items included in EBITDA (€3.0 million), EBT includes further non-recurring items totalling €32.9 million, which refer to costs related to the early retirement incentive that affected all Regions (especially Spain related to the exit of the Sareb portfolio), and items relating to an ongoing arbitration on the tax claim in Spain, the Earn-out provision for the Greek subsidiary doValue Greece, and income from insurance reimbursements.

Net write-downs on property, plant, equipment and intangibles amounted to €71.0 million, compared to €94.4 million recorded in the previous year.
The item mainly includes the amortisation of the doValue Spain and doValue Greece servicing contracts for a total of €40.0 million and which are classified in the balance sheet as intangible assets.
The total balance also includes the amortisation of rights of use deriving from the accounting of lease agreements pursuant to IFRS 16 for a total of €13.1 million. The remainder of amortisation primarily concerns software licenses for technology investments made by the Group during the period aimed at upgrading the IT platform. The change compared to the previous year is mainly due to lower amortisation related to servicing contracts that included Sareb in 2021 (fully amortised in the first half of 2022).

Net provisions for risks and charges amounted to €14.0 million, compared to €25.5 million in 2021, and were mainly related to provisions for early retirement incentives as well as a prudential provision for pending arbitrations.

Net financial interest and commissions amounted to €28.9 million, down from €32.8 million in 2021, when the economic effects of the closure of the credit line replaced by the second bond issue amounting to €4.6 million were recognised. Therefore, this item mainly reflects the cost associated with the two bond issues for the acquisitions made in Spain and Greece as implementation of the Group's internationalisation strategy, as well as the cost of the temporary use of a revolving facility by the first Spanish and then Greek subsidiary. It should be noted that as at December 31, 2022, both revolving credit facilities were fully repaid.

(€/000)

	12/31/2022	12/31/2021	Change €	Change %
EBT	**62,829**	**48,289**	**14,540**	**30.1%**
Income tax for the period	(36,354)	(15,116)	(21,238)	140.5%
Profit (Loss) for the period	**26,475**	**33,173**	**(6,698)**	**(20.2)%**
Profit (loss) for the period attributable to Non-controlling interests	(9,973)	(9,429)	(544)	5.8%
Profit (Loss) for the period attributable to the Shareholders of the Parent Company	**16,502**	**23,744**	**(7,242)**	**(30.5)%**
Non-recurring items included in Profit (loss) for the period	(35,494)	(29,481)	(6,013)	20.4%
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interests	(1,433)	(2,504)	1,071	(42.8)%
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	**50,563**	**50,721**	**(158)**	**(0.3)%**
Earnings per share (in Euro)	**0.21**	**0.30**	**(0.09)**	**(30.4)%**
Earnings per share excluding non-recurring items (Euro)	**0.64**	**0.64**	**-**	**(0.2)%**

Income tax for the period amounted to €36.4 million, compared to €15.1 million in 2021, due to the higher value of the pre-tax result and the negative impact of the change in deferred tax assets and liabilities mainly related to the Iberia region.

Profit (loss) for the period attributable to the Shareholders of the Parent Company, excluding non-recurring items, came to €50.6 million, compared to €50.7 million in 2021. Including non-recurring items, **Profit (loss) for the period attributable to the Shareholders of the Parent Company** was €16.5 million, compared to €23.7 million of the previous year.

SEGMENT REPORTING

doValue's international expansion in the large market of Southern Europe, with the acquisition first of doValue Spain and later of doValue Greece, has led the Management to consider it appropriate to evaluate and analyse the business with a geographical segmentation.
This classification is tied to specific factors of the entities included in each category and to the type of market. The geographical regions thus identified are: Italy, Hellenic Region and Iberia.
Based on these criteria, the following table shows revenues and EBITDA (excluding non-recurring items) for the period for each of these business segments.

Gross revenues recorded in 2022 amounted to €558.2 million (€572.1 million in 2021) and EBITDA excluding non-recurring items to €201.7 million (€200.9 million in 2021). The Italy segment contributed 33% to Group gross revenues, the Hellenic Region segment contributed 45%, while the Iberia segment contributed 22%.
The **EBITDA Margin excluding non-recurring items** on the Italy and Iberia segments was respectively 26% and 4%, therefore lower than the Hellenic Region that recorded a result equal to 59%.

(€/000)

	Year 2022			
Condensed Income Statement (excluding non-recurring items)	**Italy**	**Hellenic Region**	**Iberia**	**Total**
Servicing Revenues	145,093	249,394	115,677	510,164
o/w NPE Revenues	*145,094*	*229,892*	*58,552*	*433,538*
o/w REO Revenues	*(1)*	*19,502*	*57,125*	*76,626*
Co-investment revenues	1,507	-	-	1,507
Ancillary and other revenues	35,910	3,854	6,814	46,578
Gross revenues	**182,510**	**253,248**	**122,491**	**558,249**
NPE Outsourcing fees	(7,673)	(4,428)	(8,812)	(20,913)
REO Outsourcing fees	-	(3,819)	(18,812)	(22,631)
Ancillary Outsourcing fees	(12,816)	-	(1,469)	(14,285)
Net revenues	**162,021**	**245,001**	**93,398**	**500,420**
Staff expenses	(84,610)	(73,073)	(54,712)	(212,395)
Administrative expenses	(29,333)	(22,745)	(34,260)	(86,338)
o/w IT	*(14,955)*	*(8,756)*	*(9,323)*	*(33,034)*
o/w Real Estate	*(1,594)*	*(2,689)*	*(1,303)*	*(5,586)*
o/w SG&A	*(12,784)*	*(11,300)*	*(23,634)*	*(47,718)*
Operating expenses	**(113,943)**	**(95,818)**	**(88,972)**	**(298,733)**
EBITDA excluding non-recurring items	**48,078**	**149,183**	**4,426**	**201,687**
EBITDA margin excluding non-recurring items	**26.3%**	**58.9%**	**3.6%**	**36.1%**
Contribution to EBITDA excluding non-recurring items	**23.8%**	**74.0%**	**2.2%**	**100.0%**

(€/000)

Condensed Income Statement (excluding non-recurring items)	Italy	Hellenic Region	Iberia	Total
	Year 2022 vs 2021			
Servicing Revenues				
Year 2022	145,093	249,394	115,677	510,164
Year 2021	146,675	217,134	164,817	528,626
Change	*(1,582)*	*32,260*	*(49,140)*	*(18,462)*
Co-investment revenues, ancillary and other revenues				
Year 2022	37,417	3,854	6,814	48,085
Year 2021	33,330	1,285	8,810	43,425
Change	*4,087*	*2,569*	*(1,996)*	*4,660*
Outsourcing fees				
Year 2022	(20,489)	(8,247)	(29,093)	(57,829)
Year 2021	*(19,706)*	*(7,991)*	*(37,887)*	*(65,584)*
Change	*(783)*	*(256)*	*8,794*	*7,755*
Staff expenses				
Year 2022	(84,610)	(73,073)	(54,712)	(212,395)
Year 2021	(87,859)	(68,454)	(59,538)	(215,851)
Change	*3,249*	*(4,619)*	*4,826*	*3,456*
Administrative expenses				
Year 2022	(29,333)	(22,745)	(34,260)	(86,338)
Year 2021	(32,506)	(22,359)	(34,832)	(89,697)
Change	*3,173*	*(386)*	*572*	*3,359*
EBITDA excluding non-recurring items				
Year 2022	48,078	149,183	4,426	201,687
Year 2021	39,934	119,616	41,369	200,919
Change	*8,144*	*29,567*	*(36,943)*	*768*
EBITDA margin excluding non-recurring items				
Year 2022	26.3%	58.9%	3.6%	36.1%
Year 2021	22.2%	54.8%	23.8%	35.1%
Change	*4p.p.*	*4p.p.*	*(20)p.p.*	*1p.p.*

0.5 Group 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 Group.
At the end of this Directors' Report on the Group, in accordance with the same presentation approach for the income statement, we have included a reconciliation between the condensed balance sheet and the scheme given in the consolidated financial statements.

(€/000)

Condensed Balance Sheet	12/31/2022	12/31/2021	Change €	Change %
Cash and liquid securities	134,264	166,668	(32,404)	(19.4%)
Financial assets	57,984	61,961	(3,977)	(6.4)%
Property, plant and equipment	59,191	34,204	24,987	73.1%
Intangible assets	526,888	545,225	(18,337)	(3.4)%
Tax assets	118,226	152,996	(34,770)	(22.7)%
Trade receivables	200,143	206,326	(6,183)	(3.0)%
Assets held for sale	13	30	(17)	(56.7)%
Other assets	29,889	17,226	12,663	73.5%
Total Assets	**1,126,598**	**1,184,636**	**(58,038)**	**(4.9)%**
Financial liabilities: due to banks/bondholders	564,123	568,459	(4,336)	(0.8)%
Other financial liabilities	120,861	76,017	44,844	59.0%
Trade payables	70,381	73,710	(3,329)	(4.5)%
Tax liabilities	67,797	113,060	(45,263)	(40.0)%
Employee termination benefits	9,107	10,264	(1,157)	(11.3)%
Provisions for risks and charges	37,655	44,235	(6,580)	(14.9)%
Other liabilities	75,754	104,888	(29,134)	(27.8)%
Total Liabilities	**945,678**	**990,633**	**(44,955)**	**(4.5)%**
Share capital	41,280	41,280	-	n.s.
Reserves	83,109	96,299	(13,190)	(13.7)%
Treasury shares	(4,332)	(4,678)	346	(7.4)%
Profit (loss) for the period attributable to the Shareholders of the Parent Company	16,502	23,744	(7,242)	(30.5)%
Shareholders' Equity attributable to the Shareholders of the Parent Company	**136,559**	**156,645**	**(20,086)**	**(12.8)%**
Total Liabilities and Shareholders' Equity attributable to the Shareholders of the Parent Company	**1,082,237**	**1,147,278**	**(65,041)**	**(5.7)%**
Shareholders' Equity attributable to Non-Controlling Interests	44,361	37,358	7,003	18.8%
Total Liabilities and Shareholders' Equity	**1,126,598**	**1,184,636**	**(58,038)**	**(4.9)%**

Cash and liquid securities showed a decrease of €32.4 million compared to the end of the previous year, as a result of the financial dynamics of the period described below in the paragraph relating to the Net Financial Position.

Financial assets showed a balance of €58.0 million, a decrease of €4.0 million compared to the value recorded as at December 31, 2021, and amounting to €62.0 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	**42,323**	**46,465**	**(4,142)**	**(8.9)%**
Debt securities	18,145	18,881	(736)	(3.9)%
CIUs	23,628	25,805	(2,177)	(8.4)%
Equity instruments	197	197	-	n.s.
Non-hedging derivatives	353	1,582	(1,229)	(77.7)%
At fair value through OCI	**10,171**	**9,989**	**182**	**1.8%**
Equity instruments	10,171	9,989	182	1.8%
At amortised cost	**5,490**	**5,507**	**(17)**	**(0.3)%**
L&R with banks other than current accounts and demand deposits	4,433	66	4,367	n.s.
L&R with customers	1,057	5,441	(4,384)	(80.6)%
Total	**57,984**	**61,961**	**(3,977)**	**(6.4)%**

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 the 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" did not show any significant changes; this item consists mainly of loans to customers attributable to the company doNext and deriving from the use of financial resources originating from a limited recourse loan for a specific business activity and classified under other financial liabilities. This loan was sold to third parties in January 2023.

Property, plant and equipment amounting to €59.2 million, increased by €25.0 million compared to December 31, 2021, mainly as a result of the renewal of rental contracts for certain premises in Italy and Cyprus for a total of €20.1 million, as well as purchases dedicated to the new technology infrastructure of €16.9 million, offset by depreciations for the year of €16.6 million.

Intangible assets decreased by €18.3 million, from €545.2 million to €526.9 million. This differential is due to the combined effect of decreases of €53.6 million against amortisation, plus €1.3 million in write-downs, and increases of €30.5 million related to software purchases (including the portion classified as assets under development and payments on account), as well as €6.1 million relating to additional capitalised costs on the Frontier portfolio (SLA).

The following is a breakdown of Intangible assets:

(€/000)

Intangible assets	12/31/2022	12/31/2021	Change €	Change %
Software	44,441	26,399	18,042	68.3%
Brands	24,581	28,506	(3,925)	(13.8)%
Assets under development and payments on account	10,791	12,571	(1,780)	(14.2)%
Goodwill	236,897	236,897	-	n.s.
Other intangible assets	210,178	240,852	(30,674)	(12.7)%
Total	**526,888**	**545,225**	**(18,337)**	**(3.4)%**

In particular, the more significant amount of intangible assets is due to the Group's two most recent acquisitions, relating respectively to doValue Spain and its subsidiaries, carried out at the end of June 2019, and the business combination of doValue Greece completed in June 2020.

With regard to the doValue Spain perimeter, the net value of intangible assets is broken down as follows:

- €13.1 million relating to software (including assets under development);
- €24.5 million relating to the brand;
- €35.4 million relating to other intangible assets, which include the valuation of active long-term servicing contracts ("SLAs");
- €124.1 million relating to goodwill.

As regards the perimeter of doValue Greece, the intangible assets are composed of:

- €22.5 million relating to software (including assets under development);
- €174.8 million related to long-term servicing contracts ("SLAs"), including €38.5 million related to the Frontier portfolio;
- €112.4 million allocated to goodwill.

Tax assets detailed below showed a balance of €118.2 million as at December 31, 2022, compared to €153.0 million as at December 31, 2021. The decrease of €34.8 million was mainly due to lower VAT receivables and withholding taxes included in "Other tax receivables" (-€22.9 million), as well as the reversal of deferred tax assets totalling -€10.9 million.

(€/000)

Tax assets	12/31/2022	12/31/2021	Change €	Change %
Current tax assets	**5,407**	**6,392**	**(985)**	**(15.4)%**
Paid in advance	1,006	1,118	(112)	(10.0)%
Tax credits	4,401	6,311	(1,910)	(30.3)%
Tax liabilities	-	(1,037)	1,037	(100.0)%
Deferred tax assets	**101,758**	**112,640**	**(10,882)**	**(9.7)%**
Write-down on loans	49,391	49,370	21	0.0%
Tax losses carried forward in the future	19,300	17,598	1,702	9.7%
Property, plants and equipment/Intangible assets	18,241	25,135	(6,894)	(27.4)%
Other assets/liabilities	5,243	9,182	(3,939)	(42.9)%
Provisions	9,583	11,355	(1,772)	(15.6)%
Other tax receivables	**11,061**	**33,964**	**(22,903)**	**(67.4)%**
Total	**118,226**	**152,996**	**(34,770)**	**(22.7)%**

The breakdown of **tax liabilities** is also shown below, which also shows a decrease compared to the 2021 balances. Again, the main reduction was due to a lower payable included in the item "other tax payables", to which the effect of the settlement of current taxes was added, as well as the reduction of deferred tax liabilities related to the exercise of the Purchase Price Allocation (PPA) of doValue Spain and doValue Greece.

(€/000)

Tax liabilities	12/31/2022	12/31/2021	Change €	Change %
Taxes for the period	10,478	26,553	(16,075)	(60.5)%
Deferred tax liabilities	51,003	54,350	(3,347)	(6.2)%
Other tax payables	6,316	32,157	(25,841)	(80.4)%
Total	**67,797**	**113,060**	**(45,263)**	**(40.0)%**

As at December 31, 2022, **financial liabilities - due to banks/bondholders** went from €568.5 million to €564.1 million, a decrease of €4.3 million mainly due to the repayment of the revolving facility made by the Spanish subsidiary doValue Spain (€7.5 million), partially offset by the increase related to the amortised cost of the bonds. During the year, the use of external credit lines by Group companies was replaced by the more advantageous cash-pooling mechanism.
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	49,938	26,366	23,572	89.4%
Earn-out	44,649	23,043	21,606	93.8%
Put option on non-controlling interests	21,894	22,239	(345)	(1.6)%
Other financial liabilities	4,380	4,369	11	0.3%
Total	**120,861**	**76,017**	**44,844**	**59.0%**

"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 €27.1 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.
The liability for "put option on non-controlling interests" regards the option for the purchase of residual non-controlling interests in doValue Spain. The amount recognised as at December 31, 2022, refers to the fair value of the option maturing at the end of June 2023.
"Other financial liabilities" as at December 31, 2022, include the amount of €4.4 million for a limited recourse loan related to the above-mentioned loan allocated for a specific business activity, which was terminated in January 2023 following the sale to third parties of the related receivable recognised under financial assets.

Provisions for risks and charges go from a balance at the end of 2021 of €44.2 million to €37.7 million as at December 31, 2022. The reduction of €6.6 million is due for €8.6 million to the "Other" component of the table below, which includes a provision that merged with the definition of the PPA connected to the acquisition of doValue Greece and was determined following a more precise interpretation of some clauses set out in the Service Level Agreement signed between doValue Greece and Eurobank connected to a particular type of fee ("Curing Fee") and in application of the provisions of the IFRS 15 accounting standard relating to variable fees.

(€/000)

Provisions for risks and charges	12/31/2022	12/31/2021	Change €	Change %
Legal and tax disputes	19,867	17,659	2,208	12.5%
Staff expenses	535	730	(195)	(26.7)%
Other	17,253	25,846	(8,593)	(33.3)%
Total	**37,655**	**44,235**	**(6,580)**	**(14.9)%**

Other liabilities went from €104.9 million to €75.8 million with a decrease of €29.1 million due to the combined effect of various components, as summarised in the table below.

(€/000)

Other liabilities	12/31/2022	12/31/2021	Change €	Change %
Amounts due to personnel	31,495	38,314	(6,819)	(17.8)%
Debts related to servicing contracts	16,895	31,068	(14,173)	(45.6)%
Accrued expenses/deferred income and other debts	27,364	35,506	(8,142)	(22.9)%
Total	**75,754**	**104,888**	**(29,134)**	**(27.8)%**

The component of "Debts relating to servicing contracts" decreased by €14.2 million due to the €22.4 million release of the liability towards Eurobank related to the "advance compensation commission" connected to the securitisation of the Mexico portfolio, following the definition of a contractual addendum between the parties. This decrease was partially offset by the recognition of the contractual liability related to the Frontier SLA (€5.8 million) as well as the recognition of a payable of €2.0 million related to the acquisition of software under medium- to long-term contracts.
"Amounts due to personnel" decreased by €6.8 million due to the settlement of the 2021 incentive system and early retirement incentives, while the category of "Accrued expenses/deferred income and other debts" decreased mainly due to the payment of the payable to Eurobank, which was 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.

Shareholders' Equity attributable to the Shareholders' of the Parent Company amounted to €136.6 million, compared to €156.6 million as at December 31, 2021; the downward trend is due to a lower contribution from the economic result compared to 2021 (-€7.2 million), to which is added a reduction in other reserves of €12.3 million, the changes of which are mainly related to the distribution of dividends (-€39.5 million) as well as the allocation of the 2021 result achieved by the subsidiaries (+€24.6 million).

NET WORKING CAPITAL

(€/000)

Net Working Capital	12/31/2022	12/31/2021
Trade receivables	200,143	206,326
Trade payables	(70,381)	(73,710)
Total	**129,762**	**132,616**

The amount for the period was €129.8 million, compared to €132.6 million in December 2021. In terms of revenues over the last 12 months, the value is 23%, which is in line with the value at the end of 2021 (23%).

NET FINANCIAL POSITION

(€/000)

	Net Financial Position	12/31/2022	12/31/2021
A	Cash	134,264	166,668
B	**Liquidity (A)**	**134,264**	**166,668**
C	Current bank debts	(163)	(7,607)
D	Bonds issued - current	(9,740)	(9,993)
E	**Net current financial position (B)+(C)+(D)**	**124,361**	**149,068**
G	Bonds issued - non-current	(554,220)	(550,859)
H	**Net financial position (E)+(F)+(G)**	**(429,859)**	**(401,791)**

The **net financial position** at the end of 2022 stood at €429.9 million compared to €401.8 million at the end of 2021.
The trend for the period was characterised by planned investments of approximately €30.8 million spread across all countries in which the Group operates (with a strong acceleration in the fourth quarter), working capital trends that gave a boost to cash generation in 2022, as well as the payment of taxes of €44.0 million (largely attributable to the Hellenic Region as well as Italy) and financial expenses of €27.1 million.
Therefore, as a result of the above changes, the item "cash" amounted to €134.3 million, compared to €166.7 million at the end of 2021. Moreover, at the end of 2022, the Group had available credit lines of €133.5 million, bringing total liquidity (cash plus available credit lines) to €267.8 million.

The **net current financial position** was positive at €124.4 million (€149.1 million at the end of 2021 and €118.6 million in September 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.

CONDENSED CASH FLOW

(€/000)

Condensed Cash flow	12/31/2022	12/31/2021
EBITDA	198,708	199,347
Capex	(30,833)	(29,640)
EBITDA-Capex	**167,875**	**169,707**
as % of EBITDA	84%	85%
Adjustment for accrual on share-based incentive system payments	5,557	1,027
Changes in Net Working Capital (NWC)	2,854	(9,285)
Changes in other assets/liabilities	(92,688)	(21,340)
Operating Cash Flow	**83,598**	**140,109**
Corporate Income Tax paid	(44,042)	(12,827)
Financial charges	(27,146)	(31,220)
Free Cash Flow	**12,410**	**96,062**
(Investments)/divestments in financial assets	3,664	(26,489)
Tax claim payment	-	(32,981)
Treasury share purchase	-	(4,603)
Dividends paid to minority interests	(5,002)	(2,502)
Dividends paid to Group shareholders	(39,140)	(20,722)
Net Cash Flow of the period	**(28,068)**	**8,765**
Net Financial Position - Beginning of period	(401,791)	(410,556)
Net Financial Position - End of period	(429,859)	(401,791)
Change in Net Financial Position	**(28,068)**	**8,765**

The **Operating Cash Flow** for the period was a positive €83.6 million (€140.1 million at the end of 2021). This figure is the result of the margins achieved during the year, with EBITDA of €198.7 million and investments of €30.8 million, representing approximately 5% of Gross Revenues, thanks to the implementation of the technological transformation programme outlined in the latest Business Plan. The cash-conversion with respect to EBITDA is equal to 84% (in line with the previous year), reflecting the Group's significant ability to convert its operating margins into cash even in the presence of the aforementioned investment levels.

The trend in net working capital, as already reported in the specific paragraph, showed a positive dynamic and generated approximately €3 million of liquidity.

"Changes in other assets/liabilities" were affected by the reversal as a balancing entry to revenues related to the advance of fees to the subsidiary doValue Greece in the previous year, as well as by the effects related to the recognition of early retirement incentives.

Tax paid amounted to €44.0 million and financial charges paid amounted to €27.1 million (€31.2 million in 2021), reflecting the average cost (at a fixed rate) incurred following the bond issued to support the Group's international growth process. These transactions allowed the Group to replace credit lines with a pre-established amortisation plan of interest and principal with instruments with bullet repayment for the principal and half-yearly payment of coupons. This allowed for a greater balance of sources with relative lengthening of deadlines.

Therefore, the trends described above result in a positive **Free Cash Flow** of €12.4 million compared to €96.1 million in 2021.

The item "(Investments)/divestments in financial assets" was positive by €3.7 million and mainly includes the collection of the units of the Italian Recovery Fund alternative reserved investment fund (in 2021 they were -€26.5 million mainly due to the investments in the two Greek securitisations Mexico and Frontier and from the investment in the capital of the companies QueroQuitar and BidX1).

During the year, dividends of €39.5 million were distributed to the Group's shareholders, of which €39.1 million had already been collected from the recipients (in 2021, this disbursement had amounted to €20.7 million).

Therefore, the **net cash flow for the period** was negative by €28.1 million, whereas in 2021 it was positive by €8.8 million.

Pre-dividends paid to the shareholders of doValue, cash flow for the period was positive by €11.0 million in 2022 (compared to €29.5 million in 2021).

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 Parent 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 Parent 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 in Greece by Fortress 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 this context, 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 will be €11 million (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 be in continuity with what was seen in 2022, with substantially stable performances expected year on year;
- activities in the Hellenic Region are supported by an acceleration of collections also driven by potential disposals of portfolios on the secondary market on behalf of clients, which may lead to a marginal improvement in year-on-year performance;
- activities in Iberia will fully reflect the expiry of the Sareb contract and the off-boarding of the portfolio itself completed in October 2022 more than offset by the reduction in costs deriving from the reorganization of the Spanish activities, which has already affected the second half of 2022.

0.9 Main risks and uncertainties

The financial position of the doValue Group is adequately scaled to meet its needs, considering the activity carried out and the results achieved.
The financial policy pursued is aimed at fostering the stability of the Group, which in view of its operations does not currently or prospectively intend to engage in speculative investment activity.
The main risks and uncertainties, considering the Group's business, are essentially connected to the macroeconomic situation which could have consequences on the general trend of the economy and on the generation of non-performing exposures. 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 Group's business cannot be estimated.

GOING CONCERN

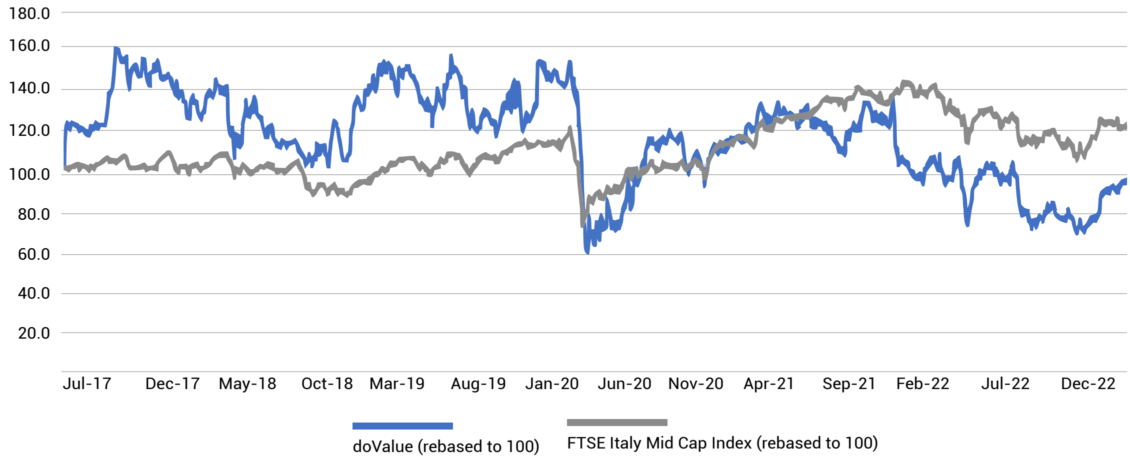
In order to express an opinion on the going concern assumption on the basis of which these Consolidated Financial Statements were prepared, the risks and uncertainties to which the Group is exposed were carefully assessed:

- 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, dividends of €0.394 and €0.460 per share, were distributed, 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 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 shares 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 was 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
IPO price (adjusted for dividends paid)	7.60	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 of 2022	7.16	12/30/2022
Number of outstanding shares as at December 31, 2022	80,000,000	12/30/2022
of which treasury shares as at December 31, 2022	900,434	12/30/2022
Capitalisation as at December 31, 2022	572,800,000	12/30/2022
Capitalisation (excluding treasury shares) as at December 31, 2022	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 the Parent Company 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 were owned by the broader market and 1.13% is represented by 900,434 treasury shares, measured at cost, for a total of €4.3 million held by the Parent Company.

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 Group. Accordingly, the strategic and management policies of the doValue Group and all of its activities in general are the product of the independent self-determination of the corporate bodies and do not involve external management by Avio.

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

TRANSACTIONS IN TREASURY SHARES

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

HUMAN RESOURCES

The doValue Group'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 Group employees was 3,212, compared to 3,153 at the end of 2021.For further details, please refer to the Consolidated Non-Financial Statement.

RELATED-PARTY TRANSACTIONS

IIn 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:

A. on the basis of the Policy in relation to transactions with related parties adopted by the Board of Directors of doValue S.p.A., during 2022 no significant transactions were carried out;
B. 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;
C. during 2022, an addition of €6.1 million to the value of intangible assets recognised in relation to the Frontier Project, as the most significant transaction identified in point a) of the Directors' Report on the Group as at December 31, 2021. This development originated from a contractual provision included in the agreement signed in 2021.

ATYPICAL OR UNUSUAL OPERATIONS

Pursuant to Consob communication no. 6064293 of July 28, 2006, it should be noted that in 2022 the doValue Group 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 "ESG" section.

CORPORATE GOVERNANCE

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

RECONCILIATION OF EQUITY AND PROFIT FOR THE YEAR OF THE PARENT COMPANY

In application of Consob Communication no. DEM/6064293 dated July 28, 2006, the Parent Company's shareholders' equity and result are reconciled below with the related consolidated amounts.

(€/000)

	12/31/2022		12/31/2021	
	Shareholders' Equity	Profit (Loss) for the period	Shareholders' Equity	Profit (Loss) for the period
doValue's S.p.A. separate financial statements	**170,719**	**19,471**	**206,456**	**(535)**
- difference arising from the investments' carrying values and the relative subsidiaries' Shareholders' Equity	(51,224)	-	(74,118)	-
- Results of the subsidiaries, net of minority interests	-	43,386	-	58,001
Cancellation of dividends	**-**	**(31,612)**	**-**	**(23,214)**
Other consolidation adjustments	**562**	**(14,743)**	**563**	**(10,508)**
Consolidated financial statements attributable to the Shareholders of the Parent Company	**120,057**	**16,502**	**132,901**	**23,744**

Rome, March 23, 2023

The Board of Directors

RECONCILIATION OF THE CONDENSED AND THE STATUTORY INCOME STATEMENT

(€/000)	12/31/2022	12/31/2021
NPE revenues	**433,538**	**446,097**
o.w. Revenue from contracts with customers	433,502	446,606
o.w. Other revenues	36	(509)
REO revenues	**76,626**	**82,529**
o.w. Revenue from contracts with customers	72,698	70,835
o.w. Other revenues	3,928	11,694
Co-investment revenues	**1,507**	**8,846**
o.w. Financial (expense)/income	1,507	8,846
Ancillary and other revenues	**46,578**	**34,579**
o.w. Financial (expense)/income	13	13
o.w. Revenue from contracts with customers	9,734	6,924
o.w. Other revenues	37,359	27,873
o.w. Costs for services rendered	(605)	(244)
o.w. Other operating (expense)/income	77	13
Gross revenues	**558,249**	**572,051**
NPE Outsourcing fees	**(20,913)**	**(29,998)**
o.w. Costs for services rendered	(20,869)	(30,023)
o.w. Administrative expenses	(44)	-
o.w. Other revenues	-	25
REO Outsourcing fees	**(22,631)**	**(24,217)**
o.w. Costs for services rendered	(22,631)	(24,217)
Ancillary Outsourcing fees	**(14,285)**	**(11,369)**
o.w. Costs for services rendered	(1,469)	(1,612)
o.w. Administrative expenses	(12,815)	(9,757)
o.w. Other operating (expense)/income	(1)	-
Net revenues	**500,420**	**506,467**
Staff expenses	**(212,395)**	**(215,851)**
o.w. Personnel expenses	(212,588)	(216,058)
o.w. Other revenues	193	207
Administrative expenses	**(89,317)**	**(91,269)**
o.w. Personnel expenses	**(5,192)**	**(5,026)**
o.w. Personnel expenses - o.w. SG&A	(5,192)	(5,026)
o.w. Administrative expenses	**(85,940)**	**(87,855)**
o.w. Administrative expenses - o.w. IT	(33,990)	(29,995)
o.w. Administrative expenses - o.w: Real Estate	(5,586)	(6,159)
o.w. Administrative expenses - o.w. SG&A	(46,364)	(51,701)
o.w. Other operating (expense)	**(37)**	**661**
o.w. Other operating (expense)/income - o.w. SG&A	(37)	661
o.w. Other revenues	**1,883**	**993**
o.w. Other revenues - o.w. IT	956	(188)
o.w. Other revenues - o.w. SG&A	927	1,181
o.w. Costs for services rendered	**(31)**	**(42)**
o.w. Costs for services rendered - o.w. SG&A	(31)	(42)
Total "o.w. IT"	*(33,034)*	*(30,183)*
Total "o.w. Real Estate"	*(5,586)*	*(6,159)*
Total "o.w. SG&A"	*(50,697)*	*(54,927)*
Operating expenses	**(301,712)**	**(307,120)**

Continue →

(€/000)	12/31/2022	12/31/2021
EBITDA	**198,708**	**199,347**
EBITDA Margin	**36%**	**35%**
Non-recurring items included in EBITDA	(2,979)	(1,572)
EBITDA excluding non-recurring items	201,687	200,919
EBITDA margin excluding non-recurring items	36%	35%
Net write-downs on property, plant, equipment and intangibles	**(71,021)**	**(94,371)**
o.w. Depreciation, amortisation and impairment	(71,535)	(94,536)
o.w. Other operating (expense)/income	514	165
Net Provisions for risks and charges	**(13,963)**	**(25,547)**
o.w. Personnel expenses	(13,368)	(10,497)
o.w. Provisions for risks and charges	(4,446)	(3,865)
o.w. Other operating (expense)/income	3,516	(9,435)
o.w. Depreciation, amortisation and impairment	336	(1,751)
o.w. Administrative expenses	(1)	1
Net Write-downs of loans	**493**	**545**
o.w. Financial (expense)/income	-	30
o.w. Depreciation, amortisation and impairment	46	24
o.w. Other revenues	447	491
Profit (loss) from equity investments	**-**	**83**
o.w. Profit (loss) of equity investments	-	83
EBIT	**114,217**	**80,057**
Net income (loss) on financial assets and liabilities measured at fair value	**(22,520)**	**1,071**
o.w. Financial (expense)/income	(22,520)	1,071
Financial interest and commissions	**(28,868)**	**(32,839)**
o.w. Financial (expense)/income	(28,757)	(32,297)
o.w. Costs for services rendered	(111)	(542)
EBT	**62,829**	**48,289**
Non-recurring items included in EBT	(35,901)	(33,350)
EBT excluding non-recurring items	98,730	81,639
Income tax for the period	**(36,354)**	**(15,116)**
o.w. Administrative expenses	(1,612)	(1,620)
o.w. Income tax expense	(34,742)	(13,496)
Profit (Loss) for the period	**26,475**	**33,173**
Profit (loss) for the period attributable to Non-controlling interests	(9,973)	(9,429)
Profit (loss) for the period attributable to the Shareholders of the Parent Company	**16,502**	**23,744**
Non-recurring items included in Profit (loss) for the period	(35,494)	(29,481)
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interests	(1,433)	(2,504)
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	50,563	50,721
Profit (loss) for the period attributable to Non-controlling interests excluding non-recurring items	11,406	11,933
Earnings per share (in Euro)	**0.21**	**0.30**
Earnings per share excluding non-recurring items (Euro)	***0.64***	***0.64***

RECONCILIATION OF THE CONDENSED AND THE STATUTORY BALANCE SHEET

(€/000)	12/31/2022	12/31/2021
Cash and liquid securities	**134,264**	**166,668**
Cash and cash equivalents	134,264	166,668
Financial assets	**57,984**	**61,961**
Non-current financial assets	53,604	60,445
Current financial assets	4,380	1,516
Property, plant and equipment	**59,191**	**34,204**
Property, plant and equipment	59,136	34,149
Inventories	55	55
Intangible assets	**526,888**	**545,225**
Intangible assets	526,888	545,225
Tax assets	**118,226**	**152,996**
Deferred tax assets	101,758	112,640
Other current assets	4,027	1,894
Tax assets	12,441	38,462
Trade receivables	**200,143**	**206,326**
Trade receivables	200,143	206,326
Assets held for sale	**13**	**30**
Assets held for sale	13	30
Other assets	**29,889**	**17,226**
Other current assets	27,813	15,212
Other non-current assets	2,076	2,014
Total Assets	**1,126,598**	**1,184,636**
Financial liabilities: due to banks/bondholders	**564,123**	**568,459**
Loans and other financing non-current	554,220	550,859
Loans and other financing current	9,903	17,600
Other financial liabilities	**120,861**	**76,017**
Loans and other financing non-current	-	4,365
Loans and other financing current	4,380	4
Other non-current financial liabilities	54,158	46,048
Other current financial liabilities	62,323	25,600
Trade payables	**70,381**	**73,710**
Trade payables	70,381	73,710
Tax Liabilities	**67,797**	**113,060**
Tax payables	16,794	58,710
Deferred tax liabilities	51,003	54,350
Employee Termination Benefits	**9,107**	**10,264**
Employee benefits	9,107	10,264
Provision for risks and charges	**37,655**	**44,235**
Provisions for risks and charges	37,655	44,235
Other liabilities	**75,754**	**104,888**
Other current liabilities	66,553	75,052
Other non-current liabilities	9,201	29,836
Total Liabilities	**945,678**	**990,633**

Continue →

(€/000)	12/31/2022	12/31/2021
Share capital	**41,280**	**41,280**
Share capital	41,280	41,280
Reserves	**83,109**	**96,299**
Valuation reserve	(906)	(1)
Other reserves	84,015	96,300
Treasury shares	**(4,332)**	**(4,678)**
Treasury shares	(4,332)	(4,678)
Profit (loss) for the period attributable to the Shareholders of the Parent Company	**16,502**	**23,744**
Profit (loss) for the period attributable to the Shareholders of the Parent Company	16,502	23,744
Shareholders' Equity attributable to the Shareholders of the Parent Company	**136,559**	**156,645**
Total Liabilities and Shareholders' Equity attributable to the Shareholders of the Parent Company	**1,082,237**	**1,147,278**
Shareholders' Equity attributable to Non-Controlling Interests	**44,361**	**37,358**
Shareholders' Equity attributable to Non-controlling interests	44,361	37,358
Total Liabilities and Shareholders' Equity	**1,126,598**	**1,184,636**

Consolidated Financial Statements as at December 31, 2022

Consolidated Financial Statements

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CONSOLIDATED BALANCE SHEET

(€/000)	NOTE	12/31/2022	12/31/2021
Non-current assets			
Intangible assets	1	526,888	545,225
Property, plant and equipment	2	59,136	34,149
Non-current financial assets	3	53,604	60,445
Deferred tax assets	4	101,758	112,640
Other non-current assets	5	2,076	2,013
Total non-current assets		**743,462**	**754,472**
Current assets			
Inventories	6	55	55
Current financial assets	3	4,380	1,516
Trade receivables	7	200,143	206,326
Tax assets	8	12,441	38,462
Other current assets	5	31,840	17,107
Cash and cash equivalents	9	134,264	166,668
Total current assets		**383,123**	**430,134**
Assets held for sale	10	**13**	**30**
Total assets		**1,126,598**	**1,184,636**
Shareholders' Equity			
Share capital		41,280	41,280
Valuation reserve		(906)	(1)
Other reserves		84,015	96,300
Treasury shares		(4,332)	(4,678)
Profit (loss) for the period attributable to the Shareholders of the Parent Company		16,502	23,744
Shareholders' Equity attributable to the Shareholders of the Parent Company		**136,559**	**156,645**
Shareholders' Equity attributable to Non-controlling interests		**44,361**	**37,358**
Total Shareholders' Equity	11	**180,920**	**194,003**
Non-current liabilities			
Loans and other financing	12	554,220	555,224
Other non-current financial liabilities	13	54,158	46,048
Employee benefits	14	9,107	10,264
Provisions for risks and charges	15	37,655	44,235
Deferred tax liabilities	4	51,003	54,350
Other non current liabilities	17	9,201	29,836
Total non-current liabilities		**715,344**	**739,957**
Current liabilities			
Loans and other financing	12	14,283	17,604
Other current financial liabilities	13	62,323	25,600
Trade payables	16	70,381	73,710
Tax liabilities	8	16,794	58,710
Other current liabilities	17	66,553	75,052
Total current liabilities		**230,334**	**250,676**
Total liabilities		**945,678**	**990,633**
Total Shareholders' Equity and liabilities		**1,126,598**	**1,184,636**

CONSOLIDATED INCOME STATEMENT

(€/000)	NOTE	12/31/2022	12/31/2021
Revenue from contracts with customers	20	515,934	524,365
Other revenues	21	43,846	40,774
Total revenues		**559,780**	**565,139**
Costs for services rendered	22	(45,716)	(56,680)
Personnel expenses	23	(231,149)	(231,581)
Administrative expenses	24	(100,412)	(99,231)
Other operating (expense)/income	25	4,070	(8,596)
Depreciation, amortisation and impairment	26	(71,153)	(96,263)
Provisions for risks and charges	27	(4,446)	(3,865)
Total costs		**(448,806)**	**(496,216)**
Operating income		**110,974**	**68,923**
Financial (Expense)/Income	28	(49,757)	(22,337)
Profit (loss) from equity investments		-	83
Profit (Loss) before tax		**61,217**	**46,669**
Income tax expense	29	(34,742)	(13,496)
Net profit (loss) from continuing operations		**26,475**	**33,173**
Profit (Loss) for the period		**26,475**	**33,173**
o.w. Profit (loss) for the period attributable to the Shareholders of the Parent Company		16,502	23,744
o.w. Profit (loss) for the period attributable to Non-controlling interests		9,973	9,429
Earnings per share	30		
basic		0.21	0.30
diluted		0.21	0.30

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€/000)

	NOTE	12/31/2022	12/31/2021
Profit (Loss) for the period		**26,475**	**33,173**
Other comprehensive income after tax not recyclable to profit or loss:			
Equity instruments designated at fair value through comprehensive income		(1,341)	-
Defined-benefit plans	14	436	(161)
Other comprehensive income after tax recyclable to profit or loss:			
Cash flow hedges		-	345
Total other comprehensive income after tax		**(905)**	**184**
Comprehensive income	11	**25,570**	**33,357**
o.w. Comprehensive income attributable to Shareholders of the Parent Company		15,597	23,928
o.w. Comprehensive income attributable to Non-controlling interests		9,973	9,429

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (Note 11)

AS AT 12/31/2022

(€/000)	Share capital	Valuation reserve	Other reserves: Reserves from profit and/or withholding tax	Other reserves: Other	Treasury shares	Net profit (loss) for the period	Shareholders' equity attributable to Shareholders of the Parent Company	Shareholders' Equity attributable to Non-controlling interests	Total Shareholders' Equity
Initial balance	**41,280**	**(1)**	**50,864**	**45,436**	**(4,678)**	**23,744**	**156,645**	**37,358**	**194,003**
Allocation of the previous year profit to reserves	-	-	(535)	24,279	-	(23,744)	-	-	-
Dividends and other payouts	-	-	(24,996)	(14,553)	-	-	(39,549)	(5,002)	(44,551)
Changes in reserves	-	-	(346)	(1,400)	-	-	(1,746)	2,032	286
Stock options	-	-	787	4,479	346	-	5,612	-	5,612
Comprehensive income of the period	-	(905)	-	-	-	16,502	15,597	9,973	25,570
Final balance	**41,280**	**(906)**	**25,774**	**58,241**	**(4,332)**	**16,502**	**136,559**	**44,361**	**180,920**

AS AT 12/31/2021

(€/000)	Share capital	Valuation reserve	Other reserves: Reserves from profit and/or withholding tax	Other reserves: Other	Treasury shares	Net profit (loss) for the period	Shareholders' equity attributable to Shareholders of the Parent Company	Shareholders' Equity attributable to Non-controlling interests	Total Shareholders' Equity
Initial balance	**41,280**	**(215)**	**61,082**	**84,295**	**(103)**	**(21,943)**	**164,396**	**41,264**	**205,660**
Allocation of the previous year profit to reserves	-	-	263	(29,771)	-	29,508	-	-	-
Dividends and other payouts	-	-	(12,976)	-	-	(7,831)	(20,807)	(2,502)	(23,309)
Changes in reserves	-	30	(28)	(7,592)	-	266	(7,324)	(10,833)	(18,157)
Stock options	-	-	2,523	(1,496)	(4,575)	-	(3,548)	-	(3,548)
Comprehensive income of the period	-	184	-	-	-	23,744	23,928	9,429	33,357
Final balance	**41,280**	**(1)**	**50,864**	**45,436**	**(4,678)**	**23,744**	**156,645**	**37,358**	**194,003**

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CONSOLIDATED CASH FLOW STATEMENT - INDIRECT METHOD -

(€/000)	NOTE	12/31/2022	12/31/2021
Operating activities			
Profit (loss) for the period before tax		**61,217**	**46,669**
Adjustments to reconcile the profit (loss) before tax with the net financial flows:		**131,554**	**123,549**
Capital gains/losses on financial assets/liabilities held for trading and on financial assets/liabilities measured at fair through profit or loss (+/-)	3	915	(1,308)
Depreciation, amortisation and impairment	26	71,153	96,263
Change in net provisions for risks and charges	15	4,446	3,865
Financial (Expense)/Income	28	49,483	23,785
Profit/loss on equity interests and investments		-	(83)
Costs for share-based payments	11	5,557	1,027
Change in working capital		**3,183**	**(11,037)**
Change in trade receivables	7	6,512	(32,922)
Change in trade payables	16	(3,329)	21,885
Change in financial assets and liabilities		**2,323**	**23,488**
Financial assets measured at fair value through other comprehensive income	3	(7)	(9,989)
Other assets mandatorily measured at fair value	3	1,849	27,331
Financial assets measured at amortised cost	3	481	1,896
Financial liabilities measured at amortised cost	12	-	4,250
Other changes:		**(135,975)**	**(59,065)**
Interests paid	28	(24,001)	(18,135)
Payment of income taxes	29	(42,477)	(12,143)
Other changes in other assets/other liabilities		(69,497)	(28,787)
Cash flows generated by operations		**62,302**	**123,604**
Investing activities			
Sales of subsidiaries and business units		-	440
Purchases of property, plant and equipment	2	(3,947)	(4,194)
Purchases of intangible assets	1	(27,110)	(61,012)
Net cash flows used in investing activities		**(31,057)**	**(64,766)**
Funding activities			
Issues/purchases of treasury shares	11	-	(4,603)
Dividends paid	11	(44,142)	(23,224)
Loans obtained	12	87,000	302,310
Repayment of loans	12	(94,566)	(290,500)
Payment of principal portion of lease liabilities	19	(11,941)	(8,639)
Net cash flows used in funding activities		**(63,649)**	**(24,656)**
Net liquidity in the period		**(32,404)**	**34,182**
Reconciliation			
Cash and cash equivalents at the beginning of period	9	166,668	132,486
Net liquidity in the period		(32,404)	34,182
Cash and cash equivalents at the end of the period	9	**134,264**	**166,668**

Illustrative Notes

Accounting policies


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2.1 Parte generale

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

STATEMENT OF COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

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

BASIS OF PREPARATION

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

and is accompanied by the relevant comparative information as at December 31, 2021, and the **Directors' Report on the Group**.

In the Consolidated 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 Group's normal operating cycle; current liabilities are those that are expected to be settled in the Group's normal operating cycle.
The Consolidated income statement presents a classification of costs by nature, while a separate statement has been prepared for the statement of comprehensive income.
The Consolidated 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 thousands of euros unless otherwise specified.

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

The Consolidated 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 Consolidated 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 Consolidated financial statements as at December 31, 2021.

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

The Consolidated Financial Statements are also prepared in accordance with the Commission Delegated Regulation (EU) no. 2019/815 of December 17, 2018, (in short "ESEF Regulation").

SCOPE AND METHOD OF CONSOLIDATION

The preparation of the Consolidated Financial Statements as at December 31, 2022, drew on the accounts on the same date of the companies included in the scope of consolidation reported in the table presented at the end of this paragraph.
The accounts as at December 31, 2022, of the companies included in the scope of consolidation were reclassified and adjusted appropriately to take consolidation requirements into account and, where necessary, align them with the Group accounting policies.
All of the companies in the scope of consolidation use the euro as their currency of account and, accordingly, no translations of foreign currency amounts have been necessary.
The following section shows the consolidation principles adopted by the Group in preparing the Consolidated Financial Statements as at December 31, 2022.

Subsidiaries

Entities in which doValue holds direct or indirect control are considered subsidiaries. Control over an entity is obtained when the Group is exposed, or has rights, to variable returns from its involvement with the investee and, at the same time, has the ability to affect those returns through its power over the entity.
In order to ascertain the existence of control, the following factors are considered:

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

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

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

The Group reconsiders whether or not it has control over 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. The consolidation of a subsidiary begins when the Group obtains control and ends when the Group loses control.

The book value of equity investments in companies consolidated on a line-by-line basis held by the Parent Company is eliminated - with the incorporation of the assets and liabilities of the investees - against the corresponding portion of shareholders' equity attributable to the Group.

Assets and liabilities, off-balance-sheet transactions, income and charges, as well as profits and losses occurring between companies within the scope of consolidation are fully eliminated, in accordance with the consolidation methods adopted.

The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company.

The difference between the amount received for the subsidiary and the book value of its net assets (including goodwill) at the same date is recognised in the income statement under "Profit (loss) from equity investments" for companies subject to line-by-line consolidation. The shareholding that may be retained must be recognised at fair value.

For companies included within the scope of consolidation for the first time, the fair value of the cost incurred to obtain control over the investee, including transactions costs, is measured as of the acquisition date.

If the disposal does not involve a loss of control, the difference between the amount received in the disposal of a portion of a subsidiary and the associated book value of the net assets is recognised with a balancing entry in Shareholders' equity.

Business combinations

IFRS 3 is the reference accounting standard for business combinations. The transfer of control of a business (or an integrated set of activities and assets conducted and managed together) constitutes a business combination. To this end, control is considered transferred when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

IFRS 3 requires that an acquirer be identified for all business combinations. The latter is the entity that obtains control over another entity or group of assets. If it is not possible to identify a controlling entity on the basis of the definition of control described above, such as for example in the case of exchanges of equity interests, the acquirer shall be identified using circumstances such as: the entity whose fair value is significantly greater, the entity that transfers cash, or the entity that issues new equity interests.

The acquisition, and therefore, the initial consolidation of the acquiree, must be recognised on the date on which the acquirer effectively obtains control over the company or assets acquired. When the transaction takes place as a single transfer, the date of transfer normally coincides with the acquisition date. However, it is always necessary to verify the possible presence of agreements between the parties that may lead to the transfer of control before the date of the exchange.

The consideration transferred as part of a business combination must be determined as the sum of the fair value, at the date of the exchange, of the assets acquired, the liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control. In transactions involving payment in cash (or when payment is made using financial instruments comparable to cash) the price is the agreed consideration, possibly discounted if payment is to be made in instalments over a period longer than short term. If the payment is made using an instrument other than cash, therefore through the issue of equity instruments, the price is equal to the fair value of the means of payment, net of the costs directly attributable to the capital issue. Adjustments subject to future events are included in the consideration of the business combination at the acquisition date, if they are provided for in the agreements and only if they are probable, can be reliably determined and realised within the twelve months following the date of acquisition of control, while indemnities for a reduction of the value of the assets used are not considered as they are already considered either in the fair value of the equity instruments or as a reduction of the premium or increase in the discount on the initial issue in the case of the issue of debt instruments.

Any contingent consideration to be paid is recognised by the acquirer at fair value at the acquisition date. The purchaser shall classify an obligation to pay contingent consideration that meets the definition of a financial instrument as a financial liability or as shareholders' equity, based on the definitions of an equity instrument and a financial liability in IAS 32. The purchaser shall classify as an asset a right to the return of previously transferred consideration when certain conditions are met. The change in the fair value of the contingent consideration classified as an asset or liability, as a financial instrument that is subject to IFRS 9 Financial Instruments, must be recognised in the income statement in accordance with IFRS 9. The contingent consideration that does not fall under the scope of IFRS 9 is measured at fair value at the reporting date and the fair value changes are booked to the income statement.

Acquisition-related costs are the costs the acquirer incurs to effect a business combination. By way of example, these may include professional fees paid to auditors, experts, legal consultants, costs for appraisals and auditing of accounts, preparation of information documents required by regulations, as well as finder's fees paid to identify potential targets to be acquired if it is contractually established that the payment is made only in the event of a positive outcome of the combination, as well as the costs of registering and issuing debt and equity securities. The acquirer shall recognise acquisition-related costs in the periods in which these costs are incurred and the services are received, with the exception of the costs of issuing debt or equity securities, which shall be recognised in accordance with IAS 32 and IAS 39.

Business combinations are accounted for using the "acquisition method", under which the identifiable assets acquired (including any intangible assets not previously recognised by the acquiree) and the identifiable liabilities assumed (including contingent liabilities) are recognised at their respective fair values on the acquisition date. In addition, for each business combination, any non-controlling interests in the acquiree can be recognised at fair value (with a consequent increase in the consideration transferred) or in proportion to the non-controlling interest in the identifiable net assets of the acquiree.

If control is acquired in stages, the acquirer shall measure its previously held equity interest in the acquiree at its acquisition date fair value and recognise through profit or loss any difference compared to the previous carrying amount.
The excess of the consideration transferred (represented by the fair value of the assets transferred, the liabilities incurred or the equity instruments issued by the acquirer), the amount of any non-controlling interests (determined as described above) and the fair value of interests previously held by the acquirer, over the fair value of the assets and liabilities acquired shall be recognised as goodwill. Conversely, if the latter exceeds the sum of the consideration, non-controlling interests and fair value of previously held interests, the difference shall be recognised in the income statement.

Business combinations may be accounted for provisionally by the end of the financial year in which the business combination is carried out and must be completed within twelve months of the acquisition date. Pursuant to IFRS 10, the recognition of additional interests in companies that are already controlled is considered as an equity transaction, i.e. a transaction with shareholders acting in their capacity as shareholders. Therefore, differences between the acquisition costs and the book value of non-controlling interests acquired are booked to shareholders' equity pertaining to the Group; similarly, sales of non-controlling interests without loss of control do not generate gains/losses recognised in the income statement but rather are recognised as changes in Shareholders' Equity pertaining to the Group.

Business combinations do not include transactions to obtain control over one or more entities that do not constitute a business or to obtain transitory control or, finally, if the business combination is carried out for the purpose of reorganisation, therefore between two or more companies or activities that already belong to the doValue Group and that does not involve a change in the control structure regardless of the percentage of third-party rights before and after the transaction (so-called combinations of entities under common control). These transactions are considered as having no economic substance. Accordingly, in the absence of an IAS/IFRS that specifically applies to the transaction and in compliance with the assumptions of IAS 8, which requires that - in the absence of a specific standard - an entity shall use its judgement in applying an accounting policy that produces relevant, reliable and prudent information that reflects the economic substance of the transaction, such transactions are accounted for by retaining the values of the acquiree in the financial statements of the acquirer. Mergers are a form of business combination, representing the most complete form of such combinations, as they involve the legal and financial merging of the entities participating in the transaction.

Whether they involve the formation of a new legal entity (merger of equals) or the absorption of one entity by another existing entity, mergers are treated in accordance with the criteria discussed above. Specifically:

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

Associates

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

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

or

- is able, including through shareholders' agreements, to exercise significant influence through:
  - representation on the governing body of the company;
  - participation in decision-making processes, including participation in decisions about dividends or other distributions;
  - the existence of significant transactions between the investor and the investee;
  - the exchange of management 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 method

With the equity method, the investment in an associated company is initially recognised at cost. The book value of the equity investment in companies measured using the equity method include any goodwill (less any impairment loss) paid to purchase them. The investor's share of the profit or loss of the investee after the acquisition date is recognised in the income statement under "Profit (loss) from equity investments". Any dividends distributed reduce the book value of the equity investment.

If the investor's interest in a subsidiary's losses is equal to or greater than its book value, no further losses are recognised, unless the investor has assumed specific obligations to or made payments on behalf of the company.
Gains and losses on transactions with associates or joint arrangements are eliminated in proportion to the percentage interest in the company.

Any changes in the valuation reserves of associates or joint arrangements, which are recorded against the value changes in the associated item, are reported separately in the Statement of comprehensive income.

As at December 31, 2022, there were no companies measured using the equity method.

Investments in subsidiaries

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

	Company name	Headquarters and Registered Office	Country	Type of Relationship (1)	Owner relationship: Impresa partecipante	Owner relationship: Quota %	Disponibilità voti % (2)
1.	doValue S.p.A.	Verona	Italy		Controllante		
2.	doNext S.p.A. (formerly Italfondiario S.p.A.)	Rome	Italy	1	doValue S.p.A.	100%	100%
3.	doData S.r.l.	Rome	Italy	1	doValue S.p.A.	100%	100%
4.	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	doValue Spain Servicing S.A.	100%	100%
6.	Altamira Asset Management Cyprus Limited	Nicosia	Cyprus	1	doValue Spain Servicing S.A.	100%	100%
7.	doValue Cyprus Limited	Nicosia	Cyprus	1	doValue S.p.A. + doValue Spain Servicing S.A.	94%+6%	94%+6%
8.	doValue Greece Loans and Credits Claim Management Société Anonyme	Moschato	Greece	1	doValue S.p.A.	80%	80%
9.	doValue Greece Real Estate Services single member Société Anonyme	Moschato	Greece	1	doValue S.p.A.	100%	100%
10.	Zarco STC, S.A.	Lisbon	Portugal	1	doValue Portugal, Unipessoal Limitada	100%	100%
11.	Adsolum Real Estate S.L.	Madrid	Spain	1	doValue Spain Servicing S.A.	100%	100%

Notes to the:

(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

Changes in the scope of consolidation

There were no changes to the scope of consolidation in 2022.
However, the name of the Spanish company Altamira Asset Management S.A. was changed to doValue Spain Servicing S.A. at the beginning of 2023.

Significant valuations and assumptions for determining the scope of consolidation

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

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

The factors considered for the purpose of this assessment depend on the entity's method of governance, its purpose and its financial structure.

This analysis led to the inclusion of the subsidiaries listed in the previous section within the scope of consolidation as at December 31, 2022.

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 Consolidated Financial Statements.

Please refer to the Directors' Report on the Group 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, the Group 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 Group 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 Consolidated 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 the Group's business activities, financial position and economic performance for the year 2022.

In this regard, there is no particular impact on the Group'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 Group'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, the Group has taken a number of precautionary measures to identify, manage and, where necessary, mitigate the effects that could have an impact on the Group'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", concerning the effects of Russia's invasion of Ukraine on the interim 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 Group 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 the doValue Group to date can continue to be considered limited.

With regard to direct effects:

- the transaction flows underlying the cash flows of Group companies are not denominated in the currencies of the countries involved in the conflict;
- the Group does not do business with financial institutions that are subject to restrictions/sanctions imposed by the European Union and the international community;
- Group companies do 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 Group, in subjecting intangible assets 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 Consolidated Financial Statements ast 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 Group'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 Group 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 on the Group.

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 Consolidated 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 Group may operate. Accordingly, future results may differ from the estimates made for the purpose of preparing the financial statements, with the consequent probable need to make adjustments that currently cannot be foreseen or estimated to the book value of the assets and liabilities recognised in the financial statements. Moreover, the uncertainties of the future macroeconomic framework in which the Group 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 Group'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 Group's financial position and performance, both with regard to the materiality of the values in the financial statements and the considerable judgement required in performing the assessments.

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

Sales revenues associated with servicing contracts for the recovery of receivables managed under mandate are recognised on an accruals basis according to the activities carried out by the Group, 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 the Group in relations with the participating clients, which can generate income on the one hand and contingent liabilities on the other connected with the possibility of non-performance of contractual obligations.

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

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

At the date of the preparation of these financial statements, the portion of servicing revenues without such manifest acceptance amounted to 30% of total amounts to be invoiced as at December 31, 2022, and 7% of the aggregate Total Revenues of the consolidated income statement.

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

Determination of the fair value of financial assets

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

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

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

Estimation of the recoverability of deferred tax assets

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

Estimation of impairment losses on intangible assets

At least on an annual basis, upon preparing the financial statements, intangible assets are tested for impairment. This impairment test is usually conducted by determining the value in use or the fair value of the assets and verifying that the book value of the intangible asset is less than the greater of the respective value in use and the fair value less costs to sell.
Impairment testing for cash generating units (CGUs), to which almost all intangible assets with a definite life and goodwill have been attributed, is conducted with reference to value in use obtained through the application of the Discounted Cash Flow (DCF), under which the value of a CGU is determined through the sum of its prospective cash flows, discounted using a specific rate. A similar procedure is used to estimate the recoverability of the values recognised for active long-term servicing contracts, which assess the business plans of the portfolios under management in order to check their consequent capacity to generate adequate cash flows.
However, note that the parameters and information used to check the recoverability of intangible assets, including goodwill (in particular the cash flow forecast for the various CGUs, as well as the discount rates used) are significantly influenced by macroeconomic conditions and market developments as well as the behaviour of counterparties, which could change unpredictably. Therefore, the Group assesses whether cthe general macroeconomic risks as well as those related to Russia's invasion of Ukraine and the climate risks could have a significant impact, such as the introduction of regulations on the reduction of the environmental impact linked to the properties under management (REO business),

which can increase the direct costs of managing portfolios. These risks in relation to climate-related issues are included as significant assumptions if they have a significant impact on the estimated recoverable value. With regard to the activities carried out by the Group with reference to interventions on the properties under management as part of the Real Estate business, the detection of significant impacts on the estimates of the recovery values due to climatic risks is excluded.
If the recoverable value of the assets undergoing impairment testing is determined on the basis of the associated fair value, it should also be noted that the significant and persistent volatility shown by the markets and the intrinsic difficulties in forecasting contractual cash flows mean that we cannot rule out the possibility that the valuations based on parameters drawn from the same markets and on contractual cash flow forecasts may subsequently prove not to be fully representative of the fair value of the assets.
With reference to the intangible assets recognised, it should be noted that these assets are mainly measured on the basis of the definitive Purchase Price Allocation (PPA) of the two business combinations concluded in previous years; i.e., the acquisition of control of Altamira Asset Management S.A., now doValue Spain Servicing S.A., and its subsidiaries in June 2019 and that of Eurobank FPS (now doValue Greece) concluded in June 2020. The intangible asset arising from the payment by doValue Greece of a consideration for the acquisition of the right to be appointed as Servicer of the "Frontier" contract was also measured.
Albeit taking into account the difficulty inherent in the formulation of even short- or medium-term forecasts in this climate of great ongoing uncertainty and considering that both doValue Spain and its subsidiaries and doValue Greece hold medium/long-term management contracts for existing loans (stock) and future positions (new flows) with leading banks and major investment funds, the Group carried out an impairment test in accordance with the international accounting standard IAS 36 "Impairment of assets" and considering the instructions issued by ESMA.
The test was performed on the amounts of intangible assets and goodwill, resulting, as at December 31, 2022, and the updating of amortisation pertaining to the period.
To this end, following the business combinations, the Cash Generating Units (CGUs) were identified in the two geographical segmentation areas pertaining to doValue Spain and its subsidiaries and to doValue Greece, namely Iberia (Spain and Portugal) and Greece and Cyprus and the allocation of intangible assets and goodwill to the two separate CGUs was determined.
For the purposes of impairment testing, the forward-looking information determined in accordance with the 2023 Budget approved by the Board of Directors on December 22, 2022 and with the Group's 2022-2024 Business Plan approved by the Board of Directors on January 25, 2022, which includes the most recent scenario assumptions collected by the subsidiaries that takes account of the trend of the main market and macroeconomic variables, estimating their effects from a forward-looking perspective.

As regards the methodological approach, it should be noted that, for the purposes of estimating the recoverable value of intangible assets acquired through business combinations, doValue adopts the valuation models used in the PPA for consistency.
Therefore, as regards impairment testing on the values of each single intangible assets, the following were used:

- as regards the estimate of the recoverable amount of intangible assets related to Servicing contracts:

  - the Multi-Period Excess Earnings Method, according to which the economic benefits of intangible assets can be assessed over more than one year by identifying the operating margin generated by the use of this activity and deducting a periodic charge therefrom, corresponding to the remuneration for the use of supplementary assets that contribute to generate the revenues thereof (contributory asset charge or CAC);
  - the Discounted Cash Flow Method, which allows the economic benefits of an intangible asset to be estimated over a number of financial years by identifying the cash flows generated by the use of this asset and deducting, from these, a periodic charge (contributory asset charge or CAC) as defined in the previous point;
- as regards the estimate of the recoverable amount of the brand connected with the Altamira transaction: the Relief-from-royalty method, according to which the value of an intangible asset can be assessed through the addition of new flows related to royalties that the Company plans to obtain for a certain period of time against the licensing of the trademark.

The discount rate used in the impairment analyses carried out by doValue, expresses the cost of financing sources of the asset being assessed: the equity cost and the debt cost. In professional practice, the discount rate normally used is the WACC (weighted average cost of capital), determined using valuation techniques such as CAPM.

The formula for calculating the weighted average cost of capital (WACC) is set out below:

$$WACC=K_d(1-t_d)\frac{D}{D+E}+K_e\frac{E}{D+E}$$

where

- K_d, debt cost;
- K_e, cost of equity;
- t_d, tax rate;
- $\frac{D}{D+E}$ weight of the debt component on the financial structure;
- $\frac{E}{D+E}$ weight of the equity component on the financial structure.

COST OF EQUITY

The cost of equity, calculated using the Capital Asset Pricing Model (CAPM), measures the cost of equity, K_e, for a certain security as an increase in the risk-free rate, based on the sensitivity of the return on the share, "β", to the expected yield of the stock market to which it belongs, net of the same risk-free rate (equity risk premium – ERP).

According to the above, the following formula can be written down:

$$E(R_j)= R_f+\beta_j*[E(R_m)-R_f]$$

where

- $E(R_m)$, expected yield of the stock market;
- R_f, risk-free yield rate;
- β_j, beta coefficient.

In summary, the above equation can be written down as follows:

$$K_e = R_f + \beta * ERP$$

dove

- K_e, cost of equity;
- R_f, risk-free yield rate;
- β, beta coefficient (measure of "systematic risk");
- ERP, equity risk premium, $E(R_m) - R_f$.

For the purposes of the WACC calculation of the above-mentioned intangible assets, in view of the fact that the related business can only be attributed to a specific country, the following was carried out:

- estimate the risk-free yield rate, calculated as the annual yield of the 10-year United States Treasury, measured as at December 31, 2022;
- estimate of the Group average "unlevered" beta (net of the financial leverage effect) of a set of comparable companies, starting from data supplied by reference financial analysts and recalculate it, in the "levered" form;
- estimate the equity risk premium by comparing the stock market volatility of the specific country with that corresponding to the same period in the US stock market, using data provided by New York University (Professor Damodaran database) as a source;
- use of values estimated to calculate the cost of equity, K_e=R_f+β ERP;
- charge a cost of debt (K_d) equal to the average of the two market rates of the senior secured bonds issued in August 2020 and July 2021, respectively (average of the last 12 months) weighted by their nominal amount.

The test conducted using the aforementioned models revealed impairment losses for €0.6 million from the comparison with the net book value of the assets (for the result of the test, please refer to the information provided in Note 1 "Intangible assets", "Information on the Consolidated Balance Sheet" section).

As regards the impairment test on the goodwill, in order to make the comparison between the recoverable value and aggregate net book values of the two CGUs as at December 31, 2022, the following procedure was used.

The recoverable value of a cash generating unit is the higher of fair value less costs to sell and value in use.
The method adopted assumes that the recoverable value of a CGU 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.

The operating cash flow is based on the estimate of the "enterprise value"; the methodological estimate is based on operating flows generated by the core management of the CGUs, based on the operating income available for the remuneration of equity and third parties. Through the DCF method (known as Discounted Cash Flow) it is possible to determine the value of a CGU through the sum of prospective cash flows of the same, discounted through the special rate.

In this case, the rate used for discounting is also the WACC (weighted average cost of capital), determined making use of evaluation techniques, such as the CAPM.
For the purposes of the WACC calculation of goodwill, where the related business is only attributable to a specific Country, steps were taken to:

- estimate the risk-free yield rate, calculated as the annual yield of the 10-year United States Treasury, measured as at December 31, 2022;
- estimate of the Group average "unlevered" beta (net of the financial leverage effect) of a set of comparable companies, starting from data supplied by reference financial analysts and recalculate it, in the "levered" form;
- estimate the equity risk premium by comparing the stock market volatility of the specific country with that corresponding to the same period in the US stock market, using data provided by New York University (Professor Damodaran database) as a source;
- use of values estimated to calculate the cost of equity, $K_e = R_f + \beta \cdot ERP$;
- charge a cost of debt (K_d) equal to the average of the two market rates of the senior secured bonds issued in August 2020 and July 2021, respectively (average of the last 12 months) weighted by their nominal amount.

Or, if the related business is attributable to more than one specific country:

- estimate the risk-free yield rate as the average of the risk-free yield rates of each reference country (see point 1) of the above list) weighted by the contribution of each Country to the Group's revenues;
- estimate beta in levered form as the average of the betas of each reference Country (see point 2) of the above list) weighted by the contribution of each Country to the Group's revenues;
- estimate the equity risk premium;
- use of values estimated to calculate the cost of equity, $K_e = R_f + \beta \bullet ERP$;
- charge a cost of debt (K_d) equal to the average of the two market rates of the senior secured bonds issued in August 2020 and July 2021, respectively (average of the last 12 months) weighted by their nominal amount.

The book value of the CGU, to be used for comparison with the recoverable value in impairment testing, includes the book value of the only (non-current) assets that are directly attributable or divided according to a reasonable and uniform criterion, to the individual CGU, taking into account, in addition to goodwill, all the intangible assets falling within the CGU's scope of valuation and deferred taxes. This book value is determined consistently with the criterion by which the recoverable value of the CGU is determined on the basis of the cash flows used in the prospective disclosure.
As regards the comparison between the recoverable value and the total net book value of the CGUs as at December 31, 2022, for both acquisitions, the model confirmed for both acquisitions a large amount of recoverable value, confirming the absence of impairment (for more details, please refer to the Notes, paragraphs Accounting Policies and Information on the balance sheet - Note 1 Intangible assets).

Business combination

The recognition of business combinations involves allocating the difference between the acquisition cost and the net book value to the assets and liabilities of the acquiree. For most of the assets and liabilities, the difference is allocated by recognising the assets and liabilities at their fair value. Any unallocated remainder is recognised as goodwill if positive; if negative, it is recognised in the income statement as revenue. In the process of allocating the cost of the business combination, the doValue Group uses all available information; however, this process implies, by definition, complex and subjective estimate elements.
For information on the Group's business combinations, please refer to the specific "Business combinations" section.

NEW ACCOUNTING STANDARDS

The Group has adopted for the first time a number of accounting standards and amendments in preparing these Consolidated Financial Statements that took effect for financial years beginning as from January 1, 2022, with a list of them set out below, showing that they did not have any substantial effect on the balance sheet and income statement figures reported:

- Amendments 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 comprise goodwill, software, brands, patents and active long-term contracts mainly deriving from external business combinations.
Goodwill is equal to the difference between the payment incurred for a business combination and the fair value of the identifiable net assets acquired, as set out in more detail in "Business combinations" section.
Intangible assets other than goodwill are recognised at their purchase cost, including any direct costs incurred to prepare the asset for use, net of accumulated amortisation and any impairment loss. 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 " Depreciation, amortisation 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.
After initial recognition, goodwill is not subject to amortisation, therefore it is measured at cost net of accumulated impairment losses determined by a periodic check of the adequacy of the book value.
More specifically, whenever there is evidence of impairment, and in any case at least once a year, goodwill is tested to ensure that it has incurred no impairment. To this end, the cash generating unit ("CGU") to which the goodwill is allocated is identified. The amount of any impairment is determined on the basis of the difference between the book value of the cash generating unit to which the goodwill is allocated and its recoverable value, if lower. This recoverable value is equal to the greater of the fair value of the cash generating unit, less costs to sell, and its associated value in use. The value in use is the present value of the future cash flows expected from the cash generating units to which the goodwill has been allocated. The resulting value adjustments are recognised in the income statement. Any subsequent write-backs may not be recognised.
The Group defined, in the "Impairment Test Manual pursuant to IAS 36", a series of indicators of loss or impairment, so-called triggering events, in the presence of which the impairment test of intangible assets with a definite useful life and the CGUs to which the goodwill was attributed, must also be carried out during the year.

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 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 expenses, if pertaining to assets used in the business;

or

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

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

MEASUREMENT CRITERIA

Subsequent to initial recognition, property, plant and equipment is recognised at cost net of cumulative depreciation and impairment.
Assets with definite useful life are depreciated at constant rates over their useful life.
Assets with indefinite useful life are not depreciated.
The useful life of property, plant and equipment is reviewed at the end of each period, taking into account the conditions of use of the asset, the state of maintenance and expected obsolescence, as well as considering the impact of legislation on health, safety and environmental issues and, if these expectations differ from previous estimates, the depreciation charge for the current period and subsequent periods is adjusted.
If there is objective evidence that an individual asset may have incurred an impairment loss, the carrying amount of the asset is compared with its recoverable amount, which is equal to the higher of an asset's fair value less costs to sell and its value in use, understood as the present value of expected future cash flows originated by the asset. Any value adjustments are recognised under "Amortisation, depreciation and impairment" in the consolidated income statement.

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

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

DERECOGNITION CRITERIA

Property, plant and equipment is derecognised on disposal (i.e. on the date on which the acquirer obtains control of it) or when, for the same, no future economic benefits are expected from its use or disposal. Any difference between the disposal value and the book value is recognised in the income statement under 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 depreciated 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 IFRS 10 – Consolidated Financial Statements, IAS 27 – Separate Financial Statements, IAS 28 – Investments in Associates and Joint Ventures, and IFRS 11 – Joint Arrangements.
These standards are explained in the "Scope and method of consolidation" section above, where disclosure is also provided on the assessments and assumptions made to establish the existence of control or significant influence.
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.

FINANCIAL ASSETS

Financial assets measured at fair value through profit or loss

RECOGNITION CRITERIA

Financial assets are initially recognised at the settlement date for debt securities and equities, at the disbursement date for loans.
In particular, at the time of settlement date accounting, any change in the fair value of the asset to be received in the period between that date and the previous trading date is recognised in the same way as for the asset purchased.

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

CLASSIFICATION CRITERIA

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

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

Accordingly, this item reports:

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

MEASUREMENT CRITERIA

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

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

DERECOGNITION CRITERIA

Financial assets are only derecognised if the sale involves the transfer of substantially all the risks and benefits associated with the assets themselves. If a significant portion of the risks and benefits of the transferred financial assets has been retained, those assets continue to be recorded in the financial statements, even if ownership of the assets themselves has been effectively transferred.
If it is not possible to ascertain the substantial transfer of the risks and benefits, the financial assets are derecognised if no form of control over them has been retained. Otherwise, the retention, also partially, of such control requires the entity to continue to recognise the assets in an amount equal to the residual continuing involvement, measured by the exposure to changes in the value of the transferred assets and to changes in their cash flows.
Finally, the transferred financial assets are derecognised if the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay only those flows, without material delay to other recipients.

Financial assets measured at fair value through comprehensive income

RECOGNITION CRITERIA

Financial assets are initially recognised at the settlement date as regards equities.
In particular, at the time of settlement date accounting, any change in the fair value of the asset to be received in the period between that date and the previous trading date is recognised in the same way as for the asset purchased.
Upon initial recognition, financial assets measured at fair value through comprehensive income are recorded at fair value, which is represented, unless otherwise specified, by the consideration paid for the execution of the transaction, without considering transaction costs or income directly attributable to the instrument itself.

CLASSIFICATION CRITERIA

Financial assets other than those classified under “Financial assets measured at fair value through profit and loss” or “Financial assets measured at amortised cost” are classified in this category.
This item includes therefore the equity instruments - which do not represent holdings in a subsidiary, associate or joint arrangement - for which the Group does not apply the permitted option, at the time of initial recognition, to designate the instrument as measured at fair value through comprehensive income.

MEASUREMENT CRITERIA

Following initial recognition, financial assets measured at fair value through comprehensive income are measured at fair value. The effects of the application of this measurement criterion are recognised in the Statement of Comprehensive Income and disclosed under Valuation reserves in shareholders' equity.
For the criteria used to determine fair value, please see the section “Information on fair value”.

DERECOGNITION CRITERIA

Financial assets are only derecognised if the sale involves the transfer of substantially all the risks and benefits associated with the assets themselves. If a significant portion of the risks and benefits of the transferred financial assets has been retained, those assets continue to be recorded in the financial statements, even if ownership of the assets themselves has been effectively transferred.
If it is not possible to ascertain the substantial transfer of the risks and benefits, the financial assets are derecognised if no form of control over them has been retained. Otherwise, the retention, also partially, of such control requires the entity to continue to recognise the assets in an amount equal to the residual continuing involvement, measured by the exposure to changes in the value of the transferred assets and to changes in their cash flows.
Finally, the transferred financial assets are derecognised if the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay only those flows, without material delay to other recipients.

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 paragraph "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 Group'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 comprehensive income including equities - not qualifying as control, connection and joint control - for which the Group applies the option envisaged, on initial recognition, for designation at fair value through comprehensive income.

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

INVENTORIES

The item reports property, plant and equipment classified under IAS 2 - Inventories regarding the real estate portfolio of the Group, 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, as 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 Group has opted for the “Simplified Approach” as described above.

CURRENT AND DEFERRED TAXES

RECOGNITION CRITERIA

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

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

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

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

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

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

MEASUREMENT CRITERIA

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

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

Deferred tax assets are only recognised if their recovery through expected future taxable income is probable, measured on the basis of the Group's ability to produce taxable income in future financial years. Deferred tax liabilities are always recognised. A requirement for the recognition of deferred tax assets is that it is considered reasonably certain in view of corporate developments that taxable income will be generated against which the temporary deductible differences will be used. In accordance with the provisions of IAS 12, the probability that future taxable income will be sufficient to utilise the deferred tax assets is subject to periodic review. If that review suggests that future taxable income will be insufficient, the deferred tax assets are reduced in a corresponding amount.

Current and deferred taxes are recognised in the income statement under Income tax expense, with the exception of taxes, which refer to items that are credited or debited, in the same or another financial year, directly in shareholders' equity, whose changes in value are recognised directly in valuation reserves in the Statement of comprehensive income.

DERECOGNITION CRITERIA

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

ASSETS HELD FOR SALE

In accordance with IFRS 5, the Group 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, in Italy under Italian Law No. 296 of December 27, 2006 (2007 Finance Act):
- the severance indemnity (trattamento di fine rapporto - TFR) accruing from January 1, 2007, is a defined-contribution plan, which does not require actuarial calculation. The shares accrued can be allocated, at the employee's choice, (i) to forms of supplementary pension schemes or (ii) left in the company and paid into the INPS treasury fund.
- the TFR accrued at the dates indicated in the previous point remains instead as a defined-benefit plan, even if the benefit has already been fully accrued. As a result, an actuarial recalculation of the value of the debt at each date after December 31, 2006 is necessary.

With regard to companies based in Greece, the remuneration policy is based on the requirements of Italian Law 2112/1920. In particular:

- in the case of ordinary retirement, the benefit is 40% of remuneration;
- in case of voluntary resignation, early retirement, death or in the event of disability, no compensation is payable.

Moreover, these companies do not envisage any post-retirement supplement for defined-benefit plans, other than those resulting from the above-mentioned regulations.

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

RECOGNITION AND MEASUREMENT CRITERIA

The value of a defined-benefit obligation is equal to the present value of the future payments, expected to be required to settle the obligation arising from the employee's service in the current and prior periods. This present value is determined using the "Projected Unit Credit Method". This method uniformly distributes the cost of the benefit over the working life of the employee, taking into account the provisions of the national law in each country.

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

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

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

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

Actuarial gains and losses (remeasurements) relating to other long-term benefits are recognised in full under staff expenses in the period in which they occur.

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 by the Group, using IT procedures and complex accounting processes that take account of the different contractual terms of each mandate. The servicing contracts envisage complex clauses of rights and obligations for the Group in relations with participating customers.
In the summaries for the period, revenues accrued in the period that have not yet been manifestly accepted by the customer are recognised. Depending on the terms of contract and the established practice, that acceptance may take the form of the issuance of an invoice or an explicit notice.

MEASUREMENT CRITERIA

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

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

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

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

Within the scope of the main servicing contracts of the Group, 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 Group and the customer on the date the contract was signed.

The Group 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 Group 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 accrual 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

The information required by IFRS 13 with regard to accounting portfolios measured at fair value on a recurring basis is shown below. For financial assets not measured at fair value, the Group believes that the book value is a reasonable approximation of the fair value.
At the date of preparation of the Consolidated Financial Statements as at December 31, 2022, there are no assets or liabilities measured at fair value on a non-recurring basis.

Assets and liabilities measured at fair value on recurring basis

ASSET BACKED SECURITIES

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

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.

HIERARCHY OF FAIR VALUE

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

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

In the choice between the different valuation techniques, the one that maximises the use of the observable inputs is used.
All transfers between the levels of the fair value hierarchy are made with reference to the end of the reporting period.
The main factors that would prompt a transfer between fair value levels (both between Level 1 and Level 2 and within Level 3) include changes in market conditions and improvements in valuation models and the relative weights of unobservable inputs used in fair value measurement.

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

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

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

- 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 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 comprehensive income" includes the value of the equity instruments relating to the aforementioned minority interest in the company BidX1, for which the Group applies the option for the designation at fair value through 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:

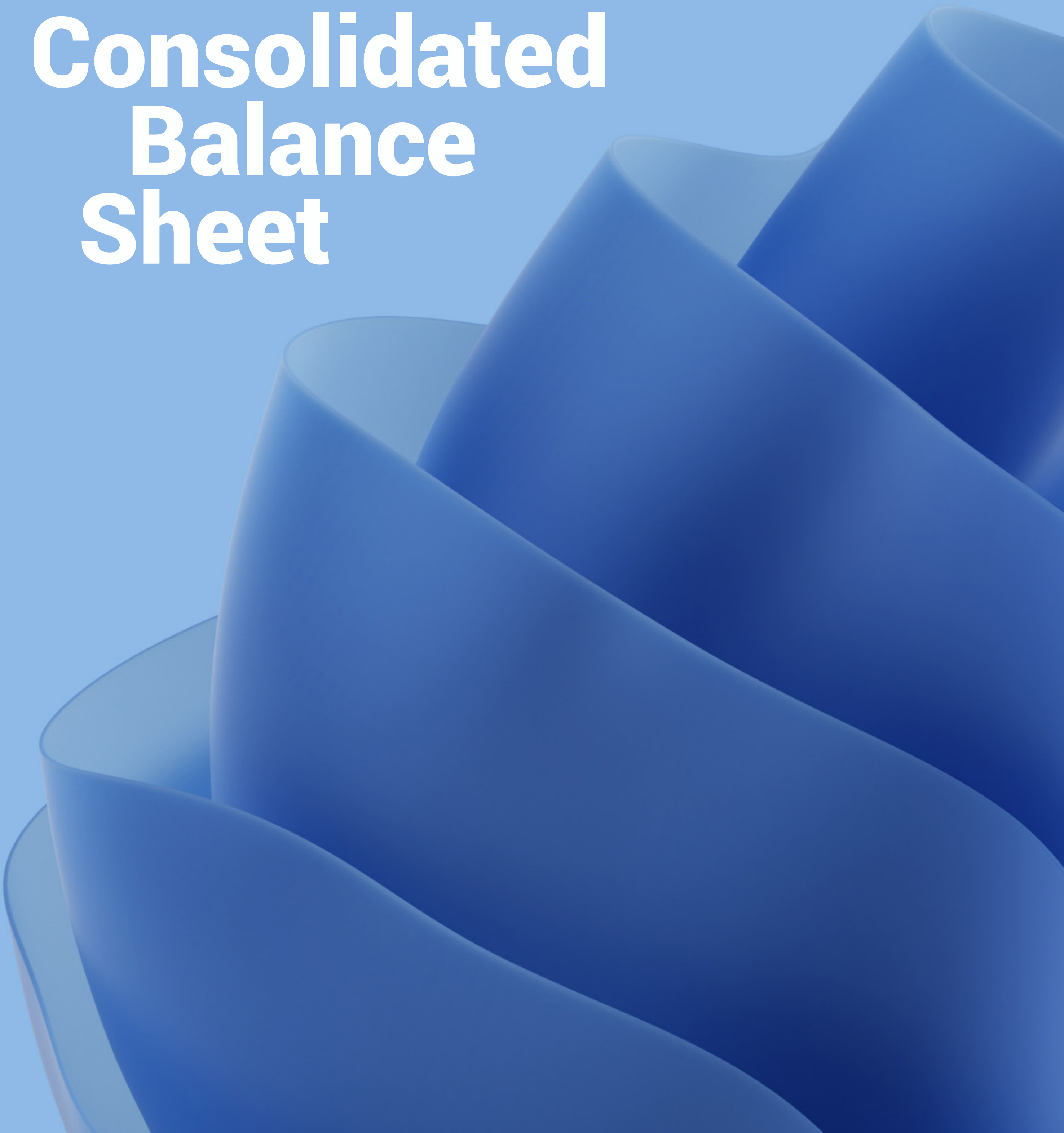
- the Earn-out represented by the fair value of the liability relating to a portion of the acquisition price of Altamira now doValue Spain;
- the Earn-out represented by the fair value of the liability relating to a portion of the acquisition price of Eurobank FPS (now doValue Greece), which is linked to the achievement of certain EBITDA targets over a 10-year period;
- the fair value of the liability linked to the put option to purchase residual minority interests in the subsidiary doValue Spain, maturing in the future year.

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	-	-	42,323	-	-	46,465
Units in collective investment undertakings (CIUs)	-	-	23,628	-	-	25,805
Debt securities	-	-	18,145	-	-	18,881
Equities	-	-	197	-	-	197
Non-hedging derivatives	-	-	353	-	-	1,582
Financial assets measured at fair value through comprehensive income	-	-	10,171	-	-	9,989
Equities	-	-	10,171	-	-	9,989
Total	**-**	**-**	**52,494**	**-**	**-**	**56,454**
Other financial liabilities	-	-	66,543	-	-	45,282
Earn-out	-	-	44,649	-	-	23,043
Put option on non-controlling interests	-	-	21,894	-	-	22,239
Total	**-**	**-**	**66,543**	**-**	**-**	**45,282**

Information on the Consolidated Balance Sheet




3

3.1 Assets

NOTE 1 – INTANGIBLE ASSETS

(€/000)	Software	Brands	Assets under development and payments on account	Goodwill	Other intangible assets	Total 12/31/2022	Total 12/31/2021
Gross opening balance	**144,714**	**46,881**	**12,571**	**236,897**	**431,340**	**872,403**	**811,834**
Initial reduction in value	(118,315)	(18,375)	-	-	(190,488)	(327,178)	(234,374)
Net opening balance	**26,399**	**28,506**	**12,571**	**236,897**	**240,852**	**545,225**	**577,460**
Initial adjustments	-	-	-	-	-	-	3,351
Changes in gross balance	**30,296**	**4**	**(1,780)**	**-**	**5,078**	**33,598**	**57,218**
Purchases	22,201	4	8,281	-	6,080	36,566	61,010
Disposals	-	-	-	-	-	-	(86)
Impairment	(754)	-	-	-	(590)	(1,344)	(3,524)
Other changes	8,849	-	(10,061)	-	(412)	(1,624)	(182)
Changes in reduction in value	**(12,254)**	**(3,929)**	**-**	**-**	**(35,752)**	**(51,935)**	**(92,804)**
Amortisation	(13,466)	(3,929)	-	-	(36,164)	(53,559)	(76,288)
Other changes	1,212	-	-	-	412	1,624	(16,516)
Gross closing balance	**175,010**	**46,885**	**10,791**	**236,897**	**436,418**	**906,001**	**872,403**
Final reduction in value	(130,569)	(22,304)	-	-	(226,240)	(379,113)	(327,178)
Net closing balance	**44,441**	**24,581**	**10,791**	**236,897**	**210,178**	**526,888**	**545,225**

The **opening balances** are mainly represented by the value of multi-annual servicing contracts included in the item "other intangible assets" and by the goodwill deriving from the acquisitions completed by the Group: in June 2019, the acquisition of Altamira Asset Management (today doValue Spain Servicing, hereinafter also "doValue Spain") and its subsidiaries, and in June 2020 the business combination of Eurobank-FPS (now doValue Greece).

Thanks to the acquisition of doValue Greece, the following net values were recognised as at December 31, 2022:

- €22.5 million relating to software and related assets under development;
- €174.8 million related to multi-year servicing contracts ("SLAs"), of which €38.5 million related to the Frontier portfolio;
- €112.4 million relating to goodwill.

With regard to the acquisition of doValue Spain and its subsidiaries, the net values as at December 31, 2022, were as follows:

- €13.1 million relating to software and related assets under development;
- €24.5 million relating to the brand;
- €35.4 million relating to other intangible assets, which include the valuation of active long-term servicing contracts ("SLAs");
- €124.1 million relating to goodwill.

The **changes in gross balance** mainly include "purchases", which during the year were concentrated on the development of the IT platform, with an increase in the "software" and "assets under development and payments on account" categories totalling €30.5 million. With regard to the category "other intangible assets", the reported increase of €6.1 million refers to the value recognised for additional costs incurred in obtaining the servicing contract for the Frontier portfolio.
The item also includes an "impairment" for a total of €1.3 million. The latter refer for €0.8 million to software discontinued for the renewal of the Group's technology infrastructure, while the remaining €0.6 million is the result of the impairment test in accordance with IAS 36 carried out on the values of intangible assets as at December 31, 2022.
The "other changes", which mainly affect the "software" and "assets under development and payments on account" categories, relate to the reclassification of assets between the two categories in connection with the entry into use of software.

The **changes in reduction in value** mainly consist of the amortisation charges for the year of €53.6 million. "Other intangible assets" include the values of long-term servicing contracts deriving from the evaluation of the doValue Spain and doValue Greece acquisition transactions and the "Frontier" contract, which are systematically amortised based on the direct margin curve for each contract over the course of its entire useful life, consistent with the best estimate of the cash flows from each individual contract. The amortisation charge for the year of each contract was calculated to an extent corresponding to the EBITDA posted in the period.

For the purpose of preparing the impairment test on the values as at December 31, 2022, continuing with the approach taken to the test performed on the data as at December 31, 2021, and June 30, 2022, the Cash Generating Units (CGUs) in the two geographical segmentation areas pertaining to doValue Spain and its subsidiaries and to doValue Greece, namely "Iberia" (Spain and Portugal) and the "Hellenic Region" (Cyprus and Greece) were used, and the allocation of intangible assets and goodwill to the two separate CGUs was determined.
For the purposes of the test, the forward-looking information determined in accordance with the 2022-2024 business plan approved on January 25, 2022, by the doValue Board of Directors was considered, which was updated with the 2023 budget data approved in December 2022 by the same body.
With regard to the subsidiary doValue Spain in particular, the implications of the non-renewal of the management contract by Sareb were also taken into account.
As part of the analysis, the current value in use attributable to the individual active servicing contracts was therefore consistently estimated, considering the respective expected cash flows over the entire useful life.
As regards goodwill, the comparison between the recoverable value and the aggregate net book value of the CGUs as at December 31, 2022, in both cases the model highlighted a large amount of recoverable value, pointing out the absence of impairment losses of the "goodwill" item.
With regard to the test performed on the other intangible components of the item, the analysis revealed some evidence of impairment such as differences between the value in use of active servicing contracts and the relative book value net of amortisation for the period, for a total of €0.6 million referring to doValue Spain's Sareb contract, which ended in June 2022.

The discount rate (WACC - Weighted Average Cost of Capital) used in the impairment analysis carried out on goodwill and other intangible assets was 6.7% for the Spain and Portugal CGU and 8.0% for both the remaining Cyprus component of the Greece and Cyprus CGU and the Greece component alone in relation to the testing of the PPA of doValue Greece and the "Frontier" contract.

The following table summarises the outcome of the impairment test on the intangible assets of doValue Spain:

(€/000)	Net present value	Net book value	Impairment
Software	8,887	8,887	-
Brand	26,663	24,508	-
Other intangible assets - SLAs	35,946	23,546	590
Intangible Assets - Iberia	**71,496**	**56,941**	**590**
Software	1,505	1,505	-
Other intangible assets - SLAs	24,595	12,448	-
Intangible Assets - Hellenic Region	**26,100**	**13,953**	**-**
Total	**97,596**	**70,894**	**590**

Similarly, the table summarising the impairment test performed on the value attributed to the intangible assets of doValue Greece is shown below.

(€/000)	Net present value	Net book value	Impairment
Intangible Assets – SLAs - Hellenic Region	**341,238**	**174,776**	**-**
Total	**341,238**	**174,776**	**-**

With regard to the methods used to carry out the test, please refer to the Section "Accounting Policies – Risks and uncertainties associated with the use of estimates" in the paragraph dedicated to Estimation of impairment losses on intangible assets.

NOTE 2 – PROPERTY, PLANT AND EQUIPMENT

(€/000)	Buildings	Furniture	Electronic Systems	Assets under development and payments on account	Other	Total 12/31/2022	Total 12/31/2021
Gross opening balance	**54,889**	**3,187**	**11,794**	**-**	**18,218**	**88,088**	**76,482**
Initial reduction in value	(29,216)	(2,479)	(9,496)	-	(12,748)	(53,939)	(40,361)
Net opening balance	**25,673**	**708**	**2,298**	**-**	**5,470**	**34,149**	**36,121**
Changes in gross balance	**15,082**	**379**	**17,345**	**1,455**	**(2,526)**	**31,735**	**11,603**
Purchases	20,743	541	16,859	1,455	2,375	41,973	13,367
o.w. Right of Use	*20,060*	-	*16,151*	-	*1,816*	*38,027*	*9,173*
Disposals	-	-	-	-	-	-	(229)
Impairment	-	-	-	-	-	-	(30)
Other changes	(5,661)	(162)	486	-	(4,901)	(10,238)	(1,505)
Changes in reduction in value	**(4,192)**	**(607)**	**(3,932)**	**-**	**1,983**	**(6,748)**	**(13,578)**
Amortisation	(9,673)	(684)	(3,060)	-	(3,209)	(16,626)	(14,725)
o.w. Right of Use	*(8,805)*	-	*(1,932)*	-	*(2,324)*	*(13,061)*	*(11,878)*
Other changes	5,481	77	(872)	-	5,192	9,878	1,147
Gross closing balance	**69,971**	**3,566**	**29,139**	**1,455**	**15,692**	**119,823**	**88,088**
Final reduction in value	(33,408)	(3,086)	(13,428)	-	(10,765)	(60,687)	(53,939)
Net closing balance	**36,563**	**480**	**15,711**	**1,455**	**4,927**	**59,136**	**34,149**

In 2022, the item recorded an overall decrease of €25.0 million, going from €34.1 million to €59.1 million.

The **changes in gross balance** mainly include "purchases", which in the year totalled €42.0 million (of which €38.0 million in rights of use) and consisted of the renewal of rental contracts for certain premises in Italy and Cyprus for a total of €20.1 million, as well as purchases for the new technology infrastructure for €16.9 million (of which €16.2 million recognised as rights of use in accordance with IFRS 16).
The "other changes" in gross balance should be read together with the same component included under changes in reduction in value and are largely related to the disposal of depreciated assets; for the "buildings" category, these two components represent the write-off of the right of use and the related accumulated depreciation of two buildings in use in Rome and Milan, which was made possible thanks to the logistics efficiency and work organisation through the use of smart-working.

The **changes in reduction in value** included depreciation of €16.6 million, of which €13.1 million related to rights of use.

Please see Note 19 for more details on changes in rights of use.

NOTE 3 – FINANCIAL ASSETS

(€/000)	12/31/2022	12/31/2021
Non-current financial assets	53,604	60,445
Financial assets measured at fair value through profit or loss	**42,323**	**44,949**
Units in collective investment undertakings (CIUs)	23,628	25,805
Debt securities	18,145	18,881
Equities	197	197
Non-hedging derivatives	353	66
Financial assets measured at amortised cost	**1,110**	**5,507**
Loans to customers	1,057	5,441
Loans to banks	53	66
Financial assets measured at fair value through other comprehensive income	**10,171**	**9,989**
Equities	10,171	9,989
Current financial assets	4,380	1,516
Financial assets measured at fair value through profit or loss	**-**	**1,516**
Non-hedging derivatives	-	1,516
Financial assets measured at amortised cost	**4,380**	**-**
Loans to customers	4,380	-
Total	**57,984**	**61,961**

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

CIUs 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 CIUs 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.

Equities classified at fair value through profit or loss are attributable to the minority interests for which the Group has not exercised the envisaged option under IFRS 9 to measure these instruments at fair value through other comprehensive income without recycling to profit or loss.

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.

The category of **non-current financial assets measured at amortised** cost mainly included loans to customers, which decreased from €5.5 million to €1.1 million as a result of the classification in the current component of the portion of loans attributable to the subsidiary doNext, which derive from the use of financial resources originating from a limited recourse loan for a specific business and classified as current loans and other financing. On January 9, 2023, the contract to assign the loan to a third party was finalised.
For more details, please refer to the section of financial risks in the chapter on Information on risks and risks management policies.

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 the Group 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.

Directly related to the exercise of the purchase option in BidX1 described above, we also note the termination of the non-hedging derivative, which will be recognised in 2021 under **current financial assets at fair value through profit or loss**.

Focus on securitisations

Over the years, the Group 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 Parent Company 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.
As originator, the Parent Company doValue 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 referred to in Regulation (EU) 575/2013 (the CRR).
In both transactions, doValue Group 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 Parent Company 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 4 – DEFERRED TAX ASSETS AND LIABILITIES

The items report deferred tax assets by deductible temporary difference.
Deferred tax assets (hereinafter also referred to as "DTA") include amounts in respect of loan write-downs, tax losses carried forward and deferred tax assets determined specifically on the basis of the stocks of the components to which they refer (e.g. litigation, provisions for employees).
In this regard, the Parent Company 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 29/12/2010, 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 relating to the Parent Company 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 carried out on the data as at December 31, 2022, took into account the 2022-2024 Business Plan and the 2023 budget, which showed in the case of the Spanish subsidiary doValue Spain alone, the need to reduce the deferred tax assets recognised for a total of €1.9 million following the verification of a taxable base that was not fully sufficient to absorb the deferred tax assets recognised.

As at December 31, 2022, additional DTAs totalling €4.1 million were recognised. This increase was more than offset by lower deferred tax assets related to the cancellation of deferred tax assets for the period of €12.9 million, in addition to €1.9 million of write-downs due to non-recoverability.

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, €11.3 million of DTAs are not recognised mainly against previous tax losses relating to the Iberian Region (€8.3 million), while the remaining part refers to doValue and originates from the portion of interest expenses that are subject to the deductibility limitation by 30% of taxable Gross Operating Income and for which the recognition of these expenses will be assessed in subsequent years.

Taxes were calculated by applying the tax rates established under current law in each country, using, only for doNext the additional IRES 3.5 percentage-point tax envisaged for Italian credit and financial institutions (Italian Law no. 208 of December 28, 2015).
With regard to the calculation of the Italian IRAP (regional business tax) rate as at December 31, 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
Provisions recognised through Income Statement	**101,408**	**112,152**
Writedowns of loans	49,391	49,370
Tax losses carried forward	19,300	17,598
Provisions for risks and charges	7,729	9,474
Property, plant and equipment/intangible assets	18,241	25,135
Administrative expenses	1,504	1,393
Other assets/liabilities	5,243	9,182
Provisions recognised through Shareholders' Equity	**350**	**488**
Defined-benefit plans	350	488
Total	**101,758**	**112,640**

Change

(€/000)	Recognised through Income Statement	Recognised through Shareholders' Equity	Total 12/31/2022	Total 12/31/2021
Opening balance	**112,152**	**488**	**112,640**	**94,702**
Initial adjustments	-	-	-	8,248
Adjusted opening balance	**112,152**	**488**	**112,640**	**102,950**
Increases	**4,092**	**1**	**4,093**	**13,693**
Deferred tax assets recognised during the period	4,008	-	4,008	11,540
- In respect of previous periods	1,005	-	1,005	-
- Accruals	3,003	-	3,003	11,540
Other changes	84	1	85	2,153
Decreases	**(14,836)**	**(139)**	**(14,975)**	**(4,003)**
Deferred tax assets derecognised during the period	(14,836)	-	(14,836)	(2,857)
- Reversals of temporary differences	(12,927)	-	(12,927)	(2,766)
- Writedowns of non-recoverable items	(1,909)	-	(1,909)	-
- Other	-	-	-	(91)
Reduction in tax rates	-	-	-	(1,002)
Other changes	-	(139)	(139)	(144)
Closing balance	**101,408**	**350**	**101,758**	**112,640**

Deferred tax liabilities
Breakdown

(€/000)	12/31/2022	12/31/2021
Provisions recognised through Income Statement	**50,982**	**54,330**
Other assets/liabilities	50,809	54,234
Others	173	96
Provisions recognised through Shareholders' Equity	**21**	**20**
Defined-benefit plans	21	20
Total	**51,003**	**54,350**

3

Change

(€/000)	Recognised through Income Statement	Recognised through Shareholders' Equity	Total 12/31/2022	Total 12/31/2021
Opening balance	**54,330**	**20**	**54,350**	**77,466**
Initial adjustments	-	-	-	(13,735)
Adjusted opening balance	**54,330**	**20**	**54,350**	**63,731**
Increases	**2,620**	**1**	**2,621**	**99**
Deferred tax liabilities recognised during the period	2,620	-	2,620	(1,720)
Other changes	-	1	1	1,819
Decreases	**(5,968)**	**-**	**(5,968)**	**(9,480)**
Deferred tax liabilities derecognised during the period	(5,968)	-	(5,968)	(5,579)
Reduction in tax rates	-	-	-	(3,900)
Other changes	-	-	-	(1)
Closing balance	**50,982**	**21**	**51,003**	**54,350**

Deferred tax liabilities derive mainly from business combinations and, in particular, from the exercise of the Purchase Price Allocation (PPA) as an overall tax effect of the fair value adjustments made to the values of the entry to consolidation of the companies acquired, namely doValue Spain and doValue Greece, both determined on the basis of the definitive PPA.

NOTE 5 – 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	**2,076**	**2,013**
Other current assets	**31,840**	**17,107**
Accrued income/prepaid expenses	2,152	1,852
Items for employees	823	1,274
Receivables for advances	21,966	10,797
Tax receivables other than income taxes	4,032	1,898
Other items	2,867	1,286
Total	**33,916**	**19,120**

Overall, the item increased by €14.8 million compared to December 31, 2021, mainly due to higher receivables for advances from customers within the Hellenic Region, particularly as a result of measures to increase legal recovery activities during the last quarter of the year.

Other non current assets mainly consist of security deposits.

NOTE 6 – INVENTORIES

As at December 31, 2022, the item amounted to €55 thousand, unchanged with respect to the balance as at December 31, 2021. It refers to the Group's real estate portfolio composed of the value of two buildings.

NOTE 7 – TRADE RECEIVABLES

(€/000)	12/31/2022	12/31/2021
Receivables	201,828	209,123
Receivables accruing (Invoices to be issued)	127,643	139,201
Receivables for invoices issued but not collected	74,185	69,922
Provisions	(1,685)	(2,797)
Provisions for expected losses on receivables	(1,685)	(2,797)
Total	**200,143**	**206,326**

Trade receivables arise in respect of invoices issued and accruing revenues mainly connected with servicing activities and real estate services under mandate and therefore mainly relating to the revenue item "revenues from contracts with customers".
The item shows a net decrease of €6.2 million compared to the balance as at December 31, 2021, mainly attributable to the combined effect of higher receivables for invoices issued to be collected, and lower allocations made to invoices to be issued at the end of the period.
As a percentage of total revenues, receivables accounted for 36%, down slightly from 37% in the previous year.

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

NOTE 8 – TAX ASSETS AND TAX LIABILITIES

Tax assets

(€/000)	12/31/2022	12/31/2021
Current tax assets	5,407	6,392
VAT asset	7,034	32,070
Total	**12,441**	**38,462**

The decrease in this item, which fell from €38.5 million to €12.4 million as at December 31, 2022, is mainly due to a lower VAT credit of €24.9 million.

Tax liabilities

(€/000)	12/31/2022	12/31/2021
Current tax liabilities	10,478	26,553
VAT liability	1,337	26,291
Withholding taxes and others	4,979	5,866
Total	**16,794**	**58,710**

The decrease in this item compared to December 31, 2021, (€41.9 million) is mainly due to lower current tax liabilities (€16.1 million) and lower VAT liability of €25.0 million.

NOTE 9 – CASH AND CASH EQUIVALENTS

The balance of €134.3 million, representing a decrease of €32.4 million compared with the €166.7 million reported as at December 31, 2021, represents the liquidity available at the end of the financial year. For information on the next evolution, please refer to the paragraph on the Net Financial Position in the Directors' Report on the Group.
For an analysis of changes in cash and cash equivalents, please refer to the Consolidated Cash Flow Statement.

NOTE 10 – 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 Group intends to liquidate or sell to third parties.
During the year, the liquidation of two of the three SPVs based in Italy was finalised, while a vehicle in Spain was acquired at the end of the year with a view to transferring control in 2023.
Therefore, the value as at December 31, 2022, corresponds to two SPVs, one based in Italy and one based in Spain.

(€/000)	12/31/2022	12/31/2021
Non-current assets:		
Intangible assets	-	-
Property, plant and equipment	-	-
Investments in associates and joint ventures	-	-
Non-current financial assets	13	30
Deferred tax assets	-	-
Other non-current assets	-	-
Total non-current assets	**13**	**30**
Current assets:		
Inventories	-	-
Current financial assets	-	-
Trade receivables	-	-
Tax assets	-	-
Other current assets	-	-
Cash and cash equivalents	-	-
Total current assets	**-**	**-**
Total assets held for sale	**13**	**30**
Non-current liabilities:		
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	**-**	**-**
Current liabilities:		
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	**-**	**-**

NOTE 11 – SHAREHOLDERS' EQUITY

(€/000)	12/31/2022	12/31/2021
Shareholders' Equity attributable to the Shareholders of the Parent Company	136,559	156,645
Share capital	41,280	41,280
Treasury shares	(4,332)	(4,678)
Valuation reserve	(906)	(1)
Other reserves	84,015	96,300
Profit (loss) for the period attributable to the Shareholders of the Parent Company	16,502	23,744
Shareholders' Equity attributable to Non-controlling interests	44,361	37,358
Total	**180,920**	**194,003**

As at December 31, 2022, the subscribed and paid-up **share capital** of the Parent Company amounted to €41.3 million divided into 80,000,000 ordinary shares with no par value.

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

(€/000)

(no. of shares)	12/31/2022	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% of the number of issued ordinary shares.

(€/000)

(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 -€0.9 million, (-€1 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
Reserves from allocation of profits or tax-suspended reserves	25,774	50,864
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	1,140	1,140
Reserve from retained earnings	(8,597)	16,935
Reserve established in by laws for purchase of treasury shares	-	75
Reserve from retained earnings - Share Based Payments	13,889	13,372
Other reserves	58,241	45,436
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	9,168	4,689
Consolidation reserve	(33,132)	(57,698)
Negative reserve for put option on non-controlling interests	(18,284)	(16,597)
Total	**84,015**	**96,300**

Overall, the item shows a decrease of €12.3 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**;
- €24.6 million decrease in the **negative consolidation reserve** mainly due to the 2021 results of the subsidiaries;
- €1.7 million increase in the negative reserve associated with the recognition of the financial liability for the **option to purchase non-controlling interests** pursuant to IAS 32 which moved from -€16.6 million to -€18.3 million due to the effect of the portion that exceeds the amount of assets pertaining to third parties with respect to the doValue Spain acquisition;
- €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.

Shareholders' equity attributable to Non-controlling interests amounted to €44.4 million, including the profit (loss) for the period attributable to non-controlling interests of €12.0 million, and refers to the 20% stake in doValue Greece held by Eurobank. The portion of shareholders' equity attributable to minority interests in doValue Spain (€3.6 million) is absorbed by the recognition of the liability for "Put option on non-controlling interests", which also includes the relative share of the negative result for the period attributable to minority interests equal to -€2.0 million and which represents the option to purchase the residual minority stake in doValue Spain with a maturity at the end of June 2023.

NOTE 12 – LOANS AND OTHER FINANCING

(€/000)

	Interest Rate %	Due Date	12/31/2022	12/31/2021
Non-current loans and other financing			554,220	555,224
Due to other lenders	3%-5%	-	-	4,365
Bond 2020	5%	8/4/2025	258,056	255,675
Bond 2021	3.375%	7/31/2026	296,164	295,184
Current loans and other financing			14,283	17,604
Bank loans		on demand	126	41
Bank overdrafts	Euribor3m+1.9%	on demand	37	7,566
Due to other lenders		on demand	4,380	4
Bond 2020	5%	2/1/2023	5,521	5,521
Bond 2021	3.375%	1/31/2023	4,219	4,472
Total			**568,503**	**572,828**

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 **due to other lenders** for an amount of €4.4 million relating to the limited recourse loan allocated for a specific business activity. On January 9, 2023, this loan was terminated

following the assignment to a third party of the related receivable recorded under financial assets (see Note 3).
As a result of the introduction of the cash-pooling mechanism, **bank overdrafts** , which in the previous year included a revolving facility of the Spanish subsidiary doValue Spain, were substantially reduced to zero as at December 31, 2022.

NOTE 13 – OTHER FINANCIAL LIABILITIES

(€/000)	12/31/2022	12/31/2021
Other non-current financial liabilities	54,158	46,048
Lease liabilities	38,109	18,255
Earn-out	16,049	5,554
Put option on non-controlling interests	-	22,239
Other current financial liabilities	62,323	25,600
Lease liabilities	11,829	8,111
Earn-out	28,600	17,489
Put option on non-controlling interests	21,894	-
Total	**116,481**	**71,648**

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 19 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.

The **put option on non-controlling interests**, among other current financial liabilities, represents the liability connected with the option to purchase the residual non-controlling interests of doValue Spain, with original expiry at the end of June 2023.
The valuation of the option includes the discount effect and takes into account the actual and projected results of doValue Spain until maturity.

Net financial indebtedness

In accordance with the requirements of Consob Communication of July 28, 2006, and in compliance with the CESR Recommendation of February 10, 2005 "Recommendations for the consistent implementation of the EU Regulation on prospectuses", the Group's net financial indebtedness as at December 31, 2022, breaks down as follows.

(€/000)

Note			12/31/2022	12/31/2021
9	A	Cash on hand	5	3
9	B	Cash at banks and short-term deposits	134,259	166,665
	D	**Liquidity (A)+(B)+(C)**	**134,264**	**166,668**
3	E	Current financial assets	4,380	1,516
12	F	Current bank debt	(37)	(7,566)
12	G	Current portion of non-current debt	(126)	(41)
12, 13	H	Other current financial debt	(66,703)	(25,604)
	I	**Current financial indebtedness (F)+(G)+(H)**	**(66,866)**	**(33,211)**
	J	**Net current financial indebtedness (I)+(E)+(D)**	**71,778**	**134,973**
12	L	Bond Issued	(563,960)	(560,852)
12, 13	M	Other non-current loans	(54,158)	(50,413)
	N	**Non-current financial indebtedness (K)+(L)+(M)**	**(618,118)**	**(611,265)**
	O	**Net financial indebtedness (J)+(N)**	**(546,340)**	**(476,292)**

Compared with the net financial position, equal to €429.9 million reported in the Directors' Report on the Group, to which reference should also be made for further information, this table includes the items reported under letters E, H and M, for a total of €116.5 million.
The following table reconciles the two different representations:

(€/000)

		12/31/2022	12/31/2021
A	**Net financial indebtedness**	**(546,340)**	**(476,292)**
	Other current financial debt	66,703	25,604
	Other non-current loans	54,158	50,413
	Current financial assets	(4,380)	(1,516)
B	**Items excluded from the Net financial position**	**116,481**	**74,501**
C	**Net financial position (A)+(B)**	**(429,859)**	**(401,791)**

NOTE 14 – EMPLOYEE BENEFITS

Within the Group, there are defined-benefit plans, or plans for which the benefit is linked to the salary and seniority of the employee.
The defined-benefit plans of the Italian companies mainly include "post-employment benefits" in accordance with applicable regulations, as well as other provisions of a contractual nature. For Greece, there is a defined-benefit plan on a mandatory basis.
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

For companies based in Greece, the main demographic assumptions applied are as follows:

Actuarial rate	3.25%
Salary increase rate	3.50%
Inflation rate	3.00%

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

(€/000)	12/31/2022	12/31/2021
Opening balance	**10,264**	**16,341**
Initial adjustments	-	124
Adjusted opening balance	**10,264**	**16,465**
Increases	**3,008**	**728**
Provisions for the period	3,000	525
Other changes	8	203
Decreases	**(4,165)**	**(6,929)**
Benefits paid	(3,577)	(842)
Other changes	(588)	(6,087)
Closing balance	**9,107**	**10,264**

Overall, this item decreased of approximately €1.2 million compared to December 31, 2021.

From a sensitivity analysis of the assumptions regarding the parameters used in the calculation, a:
- Change in the discount rate of 0.5%;
- Change in the salary increase rate of 0.5%;
- Change in mortality rate of 10%

would not have had a significant effect on the determination of the debt.

NOTE 15 – 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					
	Legal dispu-tes	Out-of-court disputes and other provisions	Provisions for other commitments and guarantees issued	Total funds against the item "Provisions for risk and charges" of the income statement	Potential liabilities for employee	Tax claims	Other	Total funds against other items of the income statement	Total 12/31/2022	Total 12/31/2021
Opening balance	7,464	8,291	3	15,758	730	1,901	25,846	28,477	44,235	55,110
Initial adjustments	-	-	-	-	-	-	-	-	**-**	**32,236**
Adjusted opening balance	7,464	8,291	3	15,758	730	1,901	25,846	28,477	44,235	87,346
Increases	2,681	6,632	-	9,313	51	4	7,151	7,206	16,519	20,841
Provisions for the period	2,637	5,995	-	8,632	46	-	7,151	7,197	**15,829**	**19,509**
Changes due to the passage of time and changes in the discount rate	25	76	-	101	5	-	-	5	106	-
Other changes	19	561	-	580	-	4	-	4	584	**1,332**
Decreases	(4,444)	(2,661)	(3)	(7,108)	(246)	-	(15,745)	(15,991)	(23,099)	(63,952)
Reallocations of the period	(2,343)	(1,940)	(3)	(4,286)	(8)	-	(7,992)	(8,000)	**(12,286)**	**(21,706)**
Utilisation for payment	(2,101)	(718)	-	(2,819)	(19)	-	(7,753)	(7,772)	**(10,591)**	**(39,676)**
Other changes	-	(3)	-	(3)	(219)	-	-	(219)	**(222)**	**(2,570)**
Closing balance	**5,701**	**12,262**	**-**	**17,963**	**535**	**1,905**	**17,252**	**19,692**	**37,655**	**44,235**

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 Group 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 €4.0 million, moving from €8.3 million as at December 31, 2021 to €12.3 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 to finance any bonuses not governed by already existing agreements or determinable quantification mechanisms.

The **tax claims** component, which falls within the provisions as a counterpart to other items, remains stable at €1.9 million and includes the residual portion of interest expense related to the original Tax Claim doValue Spain, which closed on July 5, 2022, with the payment of the amount agreed with the Spanish tax authority and with the simultaneous submission of supplementary declarations for the years 2016-2017-2018.

The dynamics of the item **other** highlights the provision and release to the income statement of the respective portions pertaining to the year of the variable fees connected to a particular type of fee ("Curing Fee"), in application of the provisions of the IFRS 15 accounting standard.

NOTE 16 – TRADE PAYABLES

(€/000)	12/31/2022	12/31/2021
Payables to suppliers for invoices to be received	48,799	49,274
Payables to suppliers for invoices to be paid	21,582	24,436
Total	**70,381**	**73,710**

The figure for 2022 came to €70.4 million, a slight decrease (-5%) compared to the figure recorded as at December 31, 2021, mainly due to payables to suppliers for invoices to be paid (-12%), while payables to suppliers for invoices to be received remained fairly stable (-1%).

NOTE 17 – OTHER LIABILITIES

(€/000)	12/31/2022	12/31/2021
Other non-current liabilities	**9,201**	**29,836**
Amounts to be paid to third parties	8,845	29,668
Deferral of government grants related to assets	356	168
Other current liabilities	**66,553**	**75,052**
Amounts to be paid to third parties	8,050	1,398
Amounts due to personnel	25,874	32,484
o.w. employees	*24,874*	*31,126*
o.w. members of Board of Directors and Auditors	*1,000*	*1,358*
Amounts due to pension and social security institutions	5,621	5,830
Items being processed	8,900	19,412
Deferral of government grants related to assets	352	121
Other accrued expenses/deferred income	16,088	13,932
Other items	1,668	1,875
Total	**75,754**	**104,888**

As at December 31, 2022, this item amounted to €75.8 million compared to €104.9 million in 2021, with an overall decrease of €29.1 million.

With regard to **other non-current liabilities**, the main component "amounts to be paid to third parties" refers for €6.8 million to the liability towards Eurobank linked to the "advance compensation commission", subject to certain performance conditions, received by the Group in connection with the securitisation of the Mexico portfolio. The item recorded a decrease of €20.6 million, mainly due to the combined effect of the €22.4 million release of the liability towards Eurobank mentioned above, following the definition of a contractual addendum between the parties, offset by the recognition of €2.0 million liability related to the acquisition of software under medium- to long-term contracts.

The item **other current liabilities** showed an overall decrease of €8.5 million, which resulted from the combined effect of changes in the following main components.
"Amounts to be paid to third parties" increased by €6.7 million, of which €5.8 million related to contractual liabilities related to the Frontier SLA, which were paid in February 2023.
"Amounts due to personnel" decreased by €6.6 million, mainly due to the payment of MBO bonuses related to the 2021 incentive system and early retirement incentives.
"Items being processed" decreased by €10.5 million, of which €8.6 million related to 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.
"Other accrued expenses/deferred income" increased by €2.2 million mainly due to the combined effect of the release of the portion referring to 2022 of the deferred income on the advance payment of servicing fees, offset by the advance payment of the 2023 portion.

NOTE 18 – 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";

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- 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 objective of the 2022-2024 cycle is in line with the 2022-2024 Business Plan, while the objectives of the 2023-2025 and 2024-2026 cycles will be set at the beginning of 2023 and 2024. The plan grants beneficiaries the right to receive, on a rolling basis, free company shares if a given set of return conditions is respected at the end of the vesting period.

The variable component of remuneration of the Chief Executive Officer indicated above is paid in part up-front and in part deferred over 3 years. The up-front portion is paid after the approval, by the Shareholders' Meeting, of the financial statements for the accrual period and no later than the month following approval. The deferred variable portion is instead postponed on a pro-rata basis on the three-year period following assignment of the variable up-front portion.
The disbursement of the deferred portion of the variable component of the Chief Executive Officer is subject to assessment by an Access Gate and certain malus conditions, measured as at December 31 of the year prior to vesting.

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

The Group uses treasury shares for these remuneration plans.

The reference price for calculating the number of shares to be assigned as the equivalent value of the variable remuneration of the LTI plan is determined by using the average of the closing prices in the 3 months prior to the day on which the Board of Directors approves each allotment cycle.
In order to reflect the levels of performance and risk actually taken on, and to take account of the individual contribution of the beneficiaries, the Group applies ex-post correction mechanisms (malus and claw-back clauses) defined in accordance with the provisions of the applicable national collective bargaining agreements, where applicable, or any individual agreements/mandates.

	Grant date	Performance period	Verification of target achievement	Payout
2021 Plan (GM of April 28, 2021)	2/17/2022	2021-2023	2024	2024
2022 Plan (GM of April 28, 2022)	11/9/2022	2022-2024	2025	2025

	Number of shares granted at the grant date	Fair value per share at the grant date	Number of shares potentially available for award	Number of beneficiaries
2021 Plan (GM of April 28, 2021)	206,388	€10.23	268,812	29
2022 Plan (GM of April 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 the doValue Group www.doValue.it ("Governance/Remuneration" section).

The amount recognised in the income statement for 2022 amounted to €5.6 million, with a corresponding amount reflected in a specific equity reserve.

NOTE 19 – LEASES

The Group 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 ranging from a minimum of 4 to a maximum of 7 years, those referring to hardware 8 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 Group cannot 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	**22,925**	**-**	**-**	**3,099**	**26,024**	**29,330**
Increases	**14,227**	**-**	**16,151**	**(2,471)**	**27,907**	**9,281**
Purchases	20,060	-	16,151	1,816	38,027	9,173
Other changes	(5,833)	-	-	(4,287)	(10,120)	108
Decreases	**(3,266)**	**-**	**(1,932)**	**1,917**	**(3,281)**	**(12,857)**
Amortisation	(8,805)	-	(1,932)	(2,324)	(13,061)	(11,878)
Other changes	5,539	-	-	4,241	9,780	(709)
Closing balance	**33,886**	**-**	**14,219**	**2,545**	**50,650**	**26,024**

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	**26,366**	**28,793**
Increases	**35,908**	**7,833**
New liabilities	34,936	1,369
Financial expenses	963	674
Other changes	9	5,790
Decreases	**(12,336)**	**(10,260)**
Payments	(11,941)	(8,639)
Other changes	(395)	(1,621)
Closing balance	**49,938**	**26,366**
o.w.: Non-current lease liabilities	38,109	18,255
o.w.: Current lease liabilities	11,829	8,111

The increases of €35.9 million mainly refer to the buildings category following the renewal of lease contracts for certain premises in Italy and Cyprus (€20.1 million). Further increases of €14.4 million resulted from the new hardware infrastructure contract that affects almost all of the Group's foreign companies.

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	(13,060)	(11,879)
Financial expenses from lease liabilities	(963)	(674)
Total	**(14,023)**	**(12,553)**

The Group also holds lease contracts for certain electronic systems (hardware), properties and vehicles with a term equal to or less than 12 months or whose value is low. For these contracts, the Group 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)	(59)
Costs relating to lease of assets with a low unit value	-	-
Total	**(25)**	**(59)**

Information on Consolidated Income Statement

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NOTE 20 – REVENUE FROM CONTRACTS WITH CUSTOMERS

(€/000)	12/31/2022	12/31/2021
Servicing services	243,448	270,050
Servicing for securitisations	201,616	183,658
REO services	70,870	70,657
Total	**515,934**	**524,365**

The item as a whole decreased by 2% compared to December 31, 2021.
This result is due to lower revenues recorded in the component of the **servicing services** (-10%), mainly offset by the positive performance of **servicing for securitisation** (+10%), while revenues from **REO services** remained fairly stable (+0.3%).
The decrease in the servicing services is mainly due to the performance in the Iberian Region (down 37.9%, mainly due to the exit of the Sareb portfolio) and the activity in Italy down 29.2%, partially offset by a strong performance in the Hellenic Region (up 18.6%).

PERFORMANCE OBLIGATIONS

SERVICING SERVICES UNDER MANDATE AND FOR SECURITISATION TRANSACTIONS

The servicing services include the administration, management and recovery of loans utilising in-court and out-of-court recovery processes on behalf and under the mandate of third parties for portfolios mainly consisting of non-performing loans.
These services normally include a performance obligation that is fulfilled over time: in fact, the customer simultaneously receives and uses the benefits of the recovery service and the service provided improves the credit that the customer controls.
For the recognition of revenues, the Group applies a valuation method based on the outputs represented by both the assets managed and the collections on each position under mandate, so as to recognise revenues for an amount equal to that for which it has the right to invoice the customer.
The Group, following a more precise interpretation of some clauses provided for in the Service Level Agreement signed between doValue Greece and Eurobank connected to a particular type of fee ("Curing Fee") and in application of the provisions of the IFRS15 accounting standard relating to variable fees, has aligned the relative method of recording revenues, which sees as a counterpart the establishment of a specific provision for risks and charges against possible penalties on stock and flow restructured portfolios.

REAL ESTATE SERVICES UNDER MANDATE

This involves the management of real estate assets on behalf of and under the mandate of third parties, including the management of real estate guarantees as well as the development and management of the properties subject to mandate.
As with the servicing services mentioned above, there is an obligation to perform over time because the customer receives and simultaneously uses the benefits of the property management and/or sale service.

For revenue recognition, the Group applies a valuation method based on the outputs of property management activities and sales on each managed position, so as to recognise revenues for an amount equal to that for which it has the right to invoice the customer.

The breakdown of revenue from contracts with Group customers is shown below:

(€/000) Year 2022	Italy	Hellenic Region	Iberia	Infrasector	Group
Servicing services	32,735	152,067	68,670	(10,024)	**243,448**
Servicing for securitisations	122,092	79,524	-	-	**201,616**
REO services	-	17,803	59,124	(6,057)	**70,870**
Total revenues	**154,827**	**249,394**	**127,794**	**(16,081)**	**515,934**

(€/000) Year 2021	Italy	Hellenic Region	Iberia	Infrasector	Group
Servicing services	46,208	128,166	110,496	(14,820)	**270,050**
Servicing for securitisations	107,078	76,580	-	-	**183,658**
REO services	-	12,693	68,679	(10,715)	**70,657**
Total revenues	**153,286**	**217,439**	**179,175**	**(25,535)**	**524,365**

NOTE 21 – OTHER REVENUES

(€/000)	12/31/2021	31/12/2021
Administrative Servicing/Corporate Services Provider	18,274	10,299
Information services	4,647	4,655
Recovery of expenses	2,088	1,363
Due diligence & Advisory	3,146	2,618
Ancillary REO services	11,611	18,990
Other revenues	4,080	2,849
Total	**43,846**	**40,774**

The item shows an increase of 8% compared to December 31, 2021, mainly due to the effect of higher **administrative Services/Corporate Services Provider** activities carried out mainly by the Parent Company doValue and including the new “Master Legal” business line, as well as higher income from ancillary services included in the category **other revenues**. This higher income was partially offset by lower revenues recorded in **ancillary REO services**, mainly as a result of a contract renegotiation with less favourable volumes and terms compared to the previous situation.

NOTE 22 – COSTS FOR SERVICES RENDERED

(€/000)	12/31/2022	12/31/2021
Costs related to Assets Under Management	(25,014)	(34,564)
Brokerage fees	(19,211)	(21,176)
Costs for services	(1,491)	(940)
Total	**(45,716)**	**(56,680)**

The item, which includes the fees of the recovery network, decreased by 19% compared to December 31, 2021. The decrease in the category of **costs related to Assets Under Management** is due to a reduction in collections through the external network, while the decrease in **brokerage fees** component, which is mainly related to the Iberian Region, is due to a reduction in the portfolio under management.

NOTE 23 – PERSONNEL EXPENSES

(€/000)	12/31/2022	12/31/2021
Payroll employees	(219,639)	(224,481)
Members of Board of Directors and Board of Statutory Auditors	(6,995)	(4,986)
Other personnel	(4,515)	(2,114)
Total	**(231,149)**	**(231,581)**

AVERAGE NUMBER OF EMPLOYEES BY CATEGORY

	12/31/2021	31/12/2021
Payroll employees	**3,048**	**3,156**
a) Executives	129	146
b) Managers	942	1,043
c) Other employees	1,977	1,967
Other staff	**180**	**82**
Total	**3,228**	**3,238**

The item shows a substantially stable balance compared to the previous year (-0.2%), due to the decrease in personnel costs (-2%), as a result of the efficiency programme envisaged in the approved Business Plan, offset by the increase in costs for directors and statutory auditors and other personnel.
The decrease in personnel costs is in line with the decrease in the average number of employees (-3.4%).
In line with the objectives of the 2022-2024 Business Plan, personnel expenses include charges related to early retirement incentives (overall €13.6 million), which were almost entirely paid out during the year to employees who signed up to the plan launched by the Group.
With regard to the breakdown of the cost for employee benefits included in this item, please refer to Note 14 – Employee benefits.

NOTE 24 – ADMINISTRATIVE EXPENSES

(€/000)	12/31/2022	12/31/2021
External consultants	(32,779)	(33,234)
Information Technology	(38,569)	(34,935)
Administrative and logistical services	(8,724)	(5,386)
Building maintenance and security	(2,571)	(8,806)
Insurance	(1,971)	(2,410)
Indirect taxes and duties	(2,275)	(2,467)
Postal services, office supplies	(963)	(1,378)
Indirect personnel expenses	(3,206)	(2,782)
Debt collection	(356)	(772)
Utilities	(2,603)	(1,924)
Advertising and marketing	(4,897)	(4,495)
Other expenses	(1,498)	(642)
Total	**(100,412)**	**(99,231)**

The item as a whole showed substantial stability compared to the previous year, with an overall increase of 1%. However, the detailed analysis shows mainly an increase in IT services related to technological developments and outsourced administrative and logistical services, which are offset by lower maintenance and management costs of the operating properties.

NOTE 25 – OTHER OPERATING (EXPENSE)/INCOME

(€/000)	12/31/2022	12/31/2021
Recovery of expenses	-	726
Government grants	514	165
Reductions in assets	(33)	(3,378)
Other expenses	(704)	(6,190)
Other income	4,293	81
Total	**4,070**	**(8,596)**

In 2022, the item shows a positive balance of €4.1 million compared to a negative balance of -€8.6 million in 2021.

The 2022 figure does not include the negative elements that had characterised the previous year's balance, such as the €3.3 million recognition of a "Net Economic Benefit" to the seller counterparty as part of the acquisition of doValue Greece and €6.1 million in indemnities paid to customers as a result of contractual disputes.

The 2022 balance also includes income from an insurance claim amounting to €4.1 million.

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NOTE 26 – DEPRECIATION, AMORTISATION AND IMPAIRMENT

(€/000)	12/31/2022	12/31/2021
Intangible assets	**(54,903)**	**(79,812)**
Amortisation	(53,559)	(76,288)
Impairment	(1,344)	(3,524)
Property, plant and equipment	**(16,626)**	**(14,755)**
Amortisation	(16,626)	(14,725)
Impairment	-	(30)
Financial assets measured at amortised cost	**47**	**54**
Writedowns	-	(43)
Writebacks	47	97
Trade receivables	**329**	**(1,750)**
Writedowns	(680)	(1,750)
Writebacks	1,009	-
Total	**(71,153)**	**(96,263)**

This item decreased by 26% from December 31, 2021, mainly due to lower amortisation recorded in intangible assets, as a result of the normal run-off of the long-term servicing contracts recorded. The write-down of intangible assets of €1.3 million is partly due to the disposal of certain software for the renewal of the Group's technology infrastructure (€0.8 million) and the remaining part (€0.6 million) to the effects of the impairment test conducted on the book balances as at December 31, 2022 (for more details, see also Note 1 – Intangible Assets).
The item is also affected by the effects of IFRS 16 for amortisation of rights of use, which amounted to €13.1 million in 2022.

NOTE 27 – PROVISIONS FOR RISKS AND CHARGES

(€/000)	12/31/2022			12/31/2021		
	Provisions	Reallocations	Total	Provisions	Reallocations	Total
Legal disputes	(2,662)	2,344	**(318)**	(2,892)	1,970	**(922)**
o.w. Employee disputes	*(27)*	*160*	***133***	*(318)*	*171*	***(147)***
Out-of-court disputes and other risk provisions	(6,071)	1,940	**(4,131)**	(3,732)	789	**(2,943)**
Provisions on other commitments and other guarantees issued	-	3	**3**	-	-	**-**
Total	**(8,733)**	**4,287**	**(4,446)**	**(6,624)**	**2,759**	**(3,865)**

The item, whose net balance showed an increase of €0.6 million compared to the previous year, consists of operational changes in provisions, with the exception of those for employee benefits (classified under personnel expenses), and of those for tax claims (classified under income tax expense) 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 showed a negative balance of €4.4 million (€3.9 million as at December 31, 2021), due to the combined effect of the releases for provisions of previous years that are no longer needed and prudential provisions relating to both legal disputes and operational risks and other charges.

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

- risks related to ongoing arbitrations amounting to €2.1 million;
- operational risks mainly related to supply contracts of €1.1 million;
- sundry risks mainly related to disputes with customers of servicing contracts of €1.5 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 (€1.9 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 28 – FINANCIAL (EXPENSE)/INCOME

(€/000)	12/31/2022	12/31/2021
Financial income	**1,955**	**9,198**
Income from financial assets measured at fair value through P&L	1,507	8,846
Income from financial assets measured at amortised cost	420	133
Other financial income	28	219
Financial expense	**(29,192)**	**(32,843)**
Expense from financial liabilities measured at amortised cost	(27,146)	(31,220)
Expense from hedging derivates	-	(507)
Other financial expenses	(2,046)	(1,116)
Net change of other financial assets and liabilities measured at fair value through P&L	**(22,520)**	**1,308**
Financial assets - o.w.: debt securities	(550)	1,209
Financial assets - o.w.: units in collective investment undertakings (CIUs)	(652)	99
Financial assets - o.w.: non-hedging derivatives	287	-
Financial liabilities	(21,605)	-
Total	**(49,757)**	**(22,337)**

Financial income amounted to €2.0 million and was mainly due to income from the Romeo, Mercuzio and Mexico ABS securities; the comparison with the previous year shows the benefit in 2021 of the €4.0 million gain realised on the sale of the Relais securitisation securities and the €4.6 million gains realised on the sale of Mexico securities.

Financial expense (€29.2 million) includes interest expense accrued on the outstanding 2020 and 2021 bonds, while the "other financial expenses" component mainly includes the portion of interest calculated in accordance with IFRS 16.

The **net change in the value of financial assets and liabilities measured at fair value through profit or loss** is mainly due (€21.6 million) to the measurement of the earn-out due from doValue to Eurobank for the acquisition of doValue Greece and linked to the achievement of certain EBITDA targets over a ten-year period, and whose payments will not be due before 2024. The strong economic performance of Greece in 2022 led to an increase in the value of the recognised liability with a consequent negative economic impact.

NOTE 29 – INCOME TAX EXPENSE

Every country in which the doValue Group operates has an independent tax system in which the determination of the tax base, the level of the tax rates, the nature, the type and the timing of the formal obligations differ from one another.

Currently, as regards tax rates for 2022 and with reference to the countries in which the Group operates, the income tax of the companies is established at a nominal rate of 25% in Spain, 21% in Portugal (to which a "Municipal Surtax" of 1.5% is added and an additional "State surtax" of 3%, 5% or 9% depending on the disposable income bracket), 22% in Greece and 12.5% in Cyprus.

In Italy, the standard corporate income tax rate (IRES) is 24%, to which a surcharge of 3.5% is added, applicable exclusively to banks and financial institutions (Italian Law no. 208 of December 28, 2015), which applies to the subsidiary doNext.

In addition to IRES, in Italy, IRAP (regional business tax) must be added. As at December 31, 2022, in order to determine the IRAP rate of the Parent Company doValue, maintenance of the requirements of non-financial equity holding was verified, 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	(25,975)	(31,255)
Adjustment to current tax of prior years	(1,287)	(1,116)
Changes to deferred tax assets	(10,827)	7,676
Changes to deferred tax liabilities	3,347	11,199
Total	**(34,742)**	**(13,496)**

Income tax for the period amounted to €34.7 million on an accrual basis, up from €13.5 million as at December 31, 2021, mainly due to a negative impact of changes in deferred tax assets and liabilities.

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

(€/000)	12/31/2021	31/12/2021
Defined-benefit plans	(137)	40
Cash flow hedges	-	(109)
Total	**(137)**	**(69)**

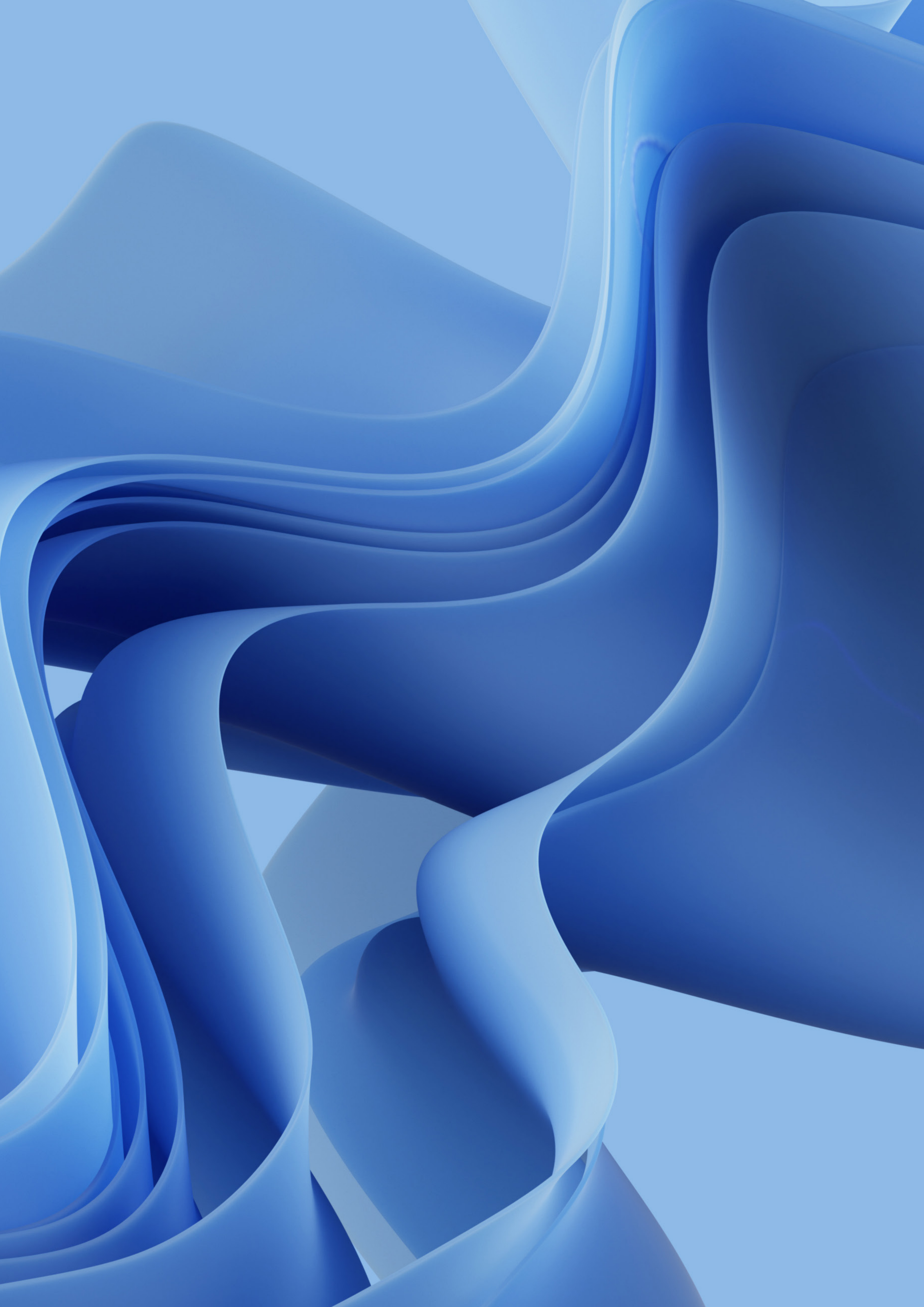
The reconciliation between the tax charge recognised in the consolidated financial statements and the theoretical tax charge, determined on the basis of the theoretical rates in force in Italy, is also shown below:

(€/000)	12/31/2022	12/31/2021
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**61,217**	**46,669**
Theoretical tax rate	**24%**	**24%**
Theoretical computed taxes on income	**(14,692)**	**(11,201)**
- Different tax rates from the theoretical	4,195	2,452
- Non-taxable income - permanent differences	910	(3,690)
- Non-deductible expenses - permanent differences	(12,341)	(2,602)
- IRAP (regional business tax)	(1,026)	(528)
- Prior years and changes in tax rates	(1,562)	1,511
- Valuation adjustments and non-recognition of deferred tax assets/liabilities	(10,473)	1,028
- Other differences	247	(466)
Income tax recognised in income statement	**(34,742)**	**(13,496)**

NOTE 30 – EARNINGS PER SHARE

(€/000)	12/31/2022	12/31/2021
Profit (loss) for the period attributable to the Shareholders of the Parent Company [A]	**16,502**	**23,744**
Weighted average number of shares outstanding for the purposes of calculation of profit (loss) per share		
basic [B]	79,091,053	79,156,795
diluted [C]	79,091,053	79,156,795
Earnings (loss) per share (in euro)		
basic [A/B]	0.21	0.30
diluted [A/C]	0.21	0.30

The basic earnings per share are calculated by comparing the economic result attributable to holders of ordinary equity instruments of the Parent Company doValue to the weighted average number of shares outstanding, net of treasury shares.
Diluted earnings per share are equal to the basic earnings as there are no other categories of shares other than ordinary shares and there are no instruments convertible into shares.



Information on Risks and Risk Management Policies


5

INTRODUCTION

The doValue Group, in line with the regulations that apply to it and applicable best practices, has an Internal Control System that is composed 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, correct company management consistent with the pre-established performance targets and protection of company assets as a whole.

The Group Internal Control System is based on control bodies and departments, information flows and mechanisms to involve the applicable parties and Group governance mechanisms. More specifically, the Group has structured its internal control organisational model by aiming to ensure integration and coordination between the actors within the Internal Control System, in compliance with the principles of integration, proportionality and cost-effectiveness, as 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 Group 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 Group companies accrue 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 Group 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 Group only uses partners with a high credit standing.

LIQUIDITY RISK

The liquidity risk is manifested as the inability to raise, an economically sustainable manner, the financial resources necessary for the Group's operations.
The two main factors that determine the Group's liquidity situation are, on the one hand, the resources generated or absorbed by operating and investment activities and, on the other, the expiry and renewal characteristics of the debt or liquidity of financial investments and market conditions.
The Group has adopted a series of policies and processes to optimise the management of financial resources, thereby reducing liquidity risk.
The Parent Company doValue identifies and monitors liquidity risk on a current and forward-looking basis. In particular, the prospective assessment takes account of probable developments in the cash flows connected with the Group's business.
One of the main instruments for mitigating liquidity risk is the holding of reserves of liquid assets and revolving credit lines. The liquidity buffer represents the amount of liquid assets held by the Group and readily usable under stress conditions and deemed appropriate in relation to the risk tolerance threshold specified.
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 Group to meet its requirements for investment, working capital management and repayment of debt as it falls due.

(€/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	**-**	**14,283**	**-**	**554,220**	**-**	**568,503**	**572,828**
Bank loans	-	163	-	-	-	163	7,607
Due to other lenders	-	4,380	-	-	-	4,380	4,369
Bonds	-	9,740	-	554,220	-	563,960	560,852
Other financial liabilities	**92**	**1,125**	**61,142**	**43,187**	**10,935**	**116,481**	**71,648**
Lease liabilities	92	1,125	10,648	33,664	4,409	49,938	26,366
Earn-out	-	-	28,600	9,523	6,526	44,649	23,043
Put option on non-controlling interests	-	-	21,894	-	-	21,894	22,239
Trade payables	**4,326**	**45,625**	**20,430**	**-**	**-**	**70,381**	**73,710**
Other current liabilities	**4,494**	**15,944**	**20,922**	**33,591**	**803**	**75,754**	**104,888**
Total	**8,912**	**76,977**	**102,494**	**630,998**	**11,738**	**831,119**	**823,074**

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 Group, which uses external financial resources in the form of debt and uses available liquidity in bank deposits, is exposed to interest rate risk, which represents the risk that the fair value or future cash flows of a financial instrument will change due to variations in market interest rates. The Group'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 Group's current long-term debt is no longer exposed to interest rate risk.

ASSETS ALLOCATED FOR A SPECIFIC BUSINESS ACTIVITY

"Vitruvian" asset allocated for a specific business activity

On March 16, 2021, the subsidiary doNext collected funds deriving from a special purpose loan payable, taken out with Vitruvian Investments SA and regulated by Articles 2447-bis, paragraph 1, letter B and 2447–decies of the Italian Civil Code.
In consideration of the typical limited recourse arrangement of this loan, it emerged that the credit risk assumed by doNext is essentially nil.

In particular, the specific business activity forming the object of the special purpose loan provided by Vitruvian to doNext of €4.4 million, was aimed at allowing the disbursement of new pre-deductible finance pursuant to Article 182-quater of Italian Royal Decree 267 of March 16, 1942 by doNext in the restructuring procedure launched in accordance with Article 182-bis of Italian Royal Decree 267 of March 16, 1942 by the borrower, and in particular, it consisted in:

a. disbursement of a medium/long-term loan of €1.8 million, with repayment in quarterly instalments by December 2024 and
b. opening of a credit line of up to a total of €2.6 million, expiring on December 31, 2023.

Moreover, €0.2 million was available in the dedicated current account as at December 31, 2022.

Interest income accrues at a fixed rate of 500 bps (5%) on the medium/long-term credit line, while interest income accrues at a fixed rate of 300 bps (3%) on the credit line for the advance payment of invoices.
By contrast, interest accrues on the special purpose loan for an amount corresponding to the amount collected by doNext relating to the business activity in the form of interest on the new financing.
On January 9, 2023, the contract to assign the loans to the latter was finalised with the investor.

Details of the items in the Balance Sheet as at December 31, 2022, relating to this special purpose loan are shown below, whose amount in the income statement is equal to zero due to the full offsetting of the related interest income and interest expense.

(€/000)	12/31/2022
Non-current assets	-
Current assets	
Current financial assets	4,380
Other current assets	2
Cash and cash equivalents	196
Total current assets	**4,578**
Total assets	**4,578**
Non-current liabilities	-
Current liabilities	
Loans and other financing	4,380
Other current liabilities	198
Total current liabilities	**4,578**
Total liabilities	**4,578**
Total Shareholders' Equity and liabilities	**4,578**

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 various Group companies, 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.

The doValue Group 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 LITIGATIONS

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

With regard to the events underlying the agreement reached with the Tax Authority in 2021 by the subsidiary doValue Spain SA (previously called Altamira Asset Management SA), related actions are currently underway to protect doValue by virtue of the contractual provisions contained in the acquisition agreement, as they relate to deeds and facts prior to the acquisition of the equity investment in doValue Spain which took place in 2019.

It should be noted, furthermore, that the Parent 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 Parent 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 Parent 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 Parent 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 Parent 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 Groups capital, it was defined that this includes the share premium reserve and all other 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.

The Group 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 Group 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 12)	568,503	572,828
Other financial liabilities (Note 13)	116,481	71,648
Trade payables (Note 16)	70,381	73,710
Other liabilities (Note 17)	75,754	104,888
Less: cash and cash equivalents (Note 9)	(134,264)	(166,668)
Net debt (A)	**696,855**	**656,406**
Shareholders' equity	136,559	156,645
Shareholders' equity and net debt (B)	**833,414**	**813,051**
Gearing ratio (A/B)	**84%**	**81%**

The table below reconciles the **net debt** figure shown in the previous table with the **net financial indebtedness** presented in Note 13 of the "Information on the consolidated balance sheet" section.

(€/000)	12/31/2021	12/31/2021
Net financial indebtedness (Note 13)	**546,340**	**476,292**
Trade payables (Note 16)	70,381	73,710
Other liabilities (Note 17)	75,754	104,888
Current financial assets (Note 3)	4,380	1,516
Net debt (A)	**696,855**	**656,406**

Commitments and guarantees provided

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).

The guarantees issued as at December 31, 2022, amounted to €0.9 million and are related to rented operating properties.

Segment reporting

6

In accordance with IFRS 8, segment reporting was prepared as a breakdown of revenues by Region, intended as the location in which services are provided.

For management purposes, the Group is organised into business units based on the geographical areas of the southern European region in which it operates following the latest corporate acquisitions in Europe (doValue Spain - formerly Altamira - at the end of June 2019 and doValue Greece - formerly Eurobank FPS - in June 2020), illustrated below:

- **Italy:** includes the companies operating in Italy, namely the Parent Company doValue, doData and doNext;
- **Hellenic Region:** includes doValue Greece, doValue Greece RES, based in Greece, and investee companies of the doValue Spain based in Cyprus;
- **Iberia:** includes companies based in Spain and Portugal, namely doValue Spain with the subsidiary Adsolum and doValue Portugal with the subsidiary Zarco, respectively.

(€/000) Year 2022	Italy	Hellenic Region	Iberia	Infrasector	Group
Revenue from contracts with customers	154,827	249,394	127,794	(16,081)	**515,934**
Other revenues	32,662	3,854	15,011	(7,681)	**43,846**
Total revenues	**187,489**	**253,248**	**142,805**	**(23,762)**	**559,780**
Costs for services rendered	(7,806)	(8,247)	(29,697)	34	**(45,716)**
Personnel expenses	(91,967)	(74,537)	(64,927)	282	**(231,149)**
Administrative expenses	(48,903)	(25,064)	(30,799)	4,354	**(100,412)**
Other operating (expense)/income	532	-	3,538	-	**4,070**
Depreciation, amortisation and impairment	(13,066)	(38,254)	(46,212)	26,379	**(71,153)**
Provisions for risks and charges	(3,033)	(241)	(1,172)	-	**(4,446)**
Total costs	**(164,243)**	**(146,343)**	**(169,269)**	**31,049**	**(448,806)**
Operating income	**23,246**	**106,905**	**(26,464)**	**7,287**	**110,974**
Financial (expense)/income	(21,773)	(2,148)	(6,148)	(19,688)	**(49,757)**
Dividends and ordinary similar income	20,484	-	10,000	(30,484)	**-**
Profit (loss) before tax	**21,957**	**104,757**	**(22,612)**	**(42,885)**	**61,217**
Income tax expense	(3,686)	(25,695)	(3,018)	(2,343)	**(34,742)**
Net profit (loss) from continuing operations	**18,271**	**79,062**	**(25,630)**	**(45,228)**	**26,475**
Net profit (loss) for the period	**18,271**	**79,062**	**(25,630)**	**(45,228)**	**26,475**
Total assets	**(894,510)**	**(478,534)**	**(190,564)**	**437,010**	**(1,126,598)**
of which: Intangible assets	(19,698)	(318,750)	(92,063)	(96,377)	**(526,888)**
of which: Property, plant and equipment	(17,996)	(24,723)	(16,417)	-	**(59,136)**
of which: Other non-current assets	(323)	(991)	(762)	-	**(2,076)**
Total liabilities	**693,278**	**234,728**	**193,930**	**(176,258)**	**945,678**

Intra-sectoral revenues are derecognised at the consolidated level and are reflected in the "Intra-sectoral eliminations" column.

Business combinations


7

BUSINESS COMBINATIONS COMPLETED IN THE PERIOD

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

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

No external or internal business combinations were recorded as at December 31, 2022.

BUSINESS COMBINATIONS COMPLETED AFTER THE END OF THE PERIOD

The doValue Group did not carry out any business combinations after December 31, 2022.

RETROSPECTIVE ADJUSTMENTS

As at December 31, 2022, there were no retrospective adjustments relating to previous business combinations.

7

Related-party Transactions

8

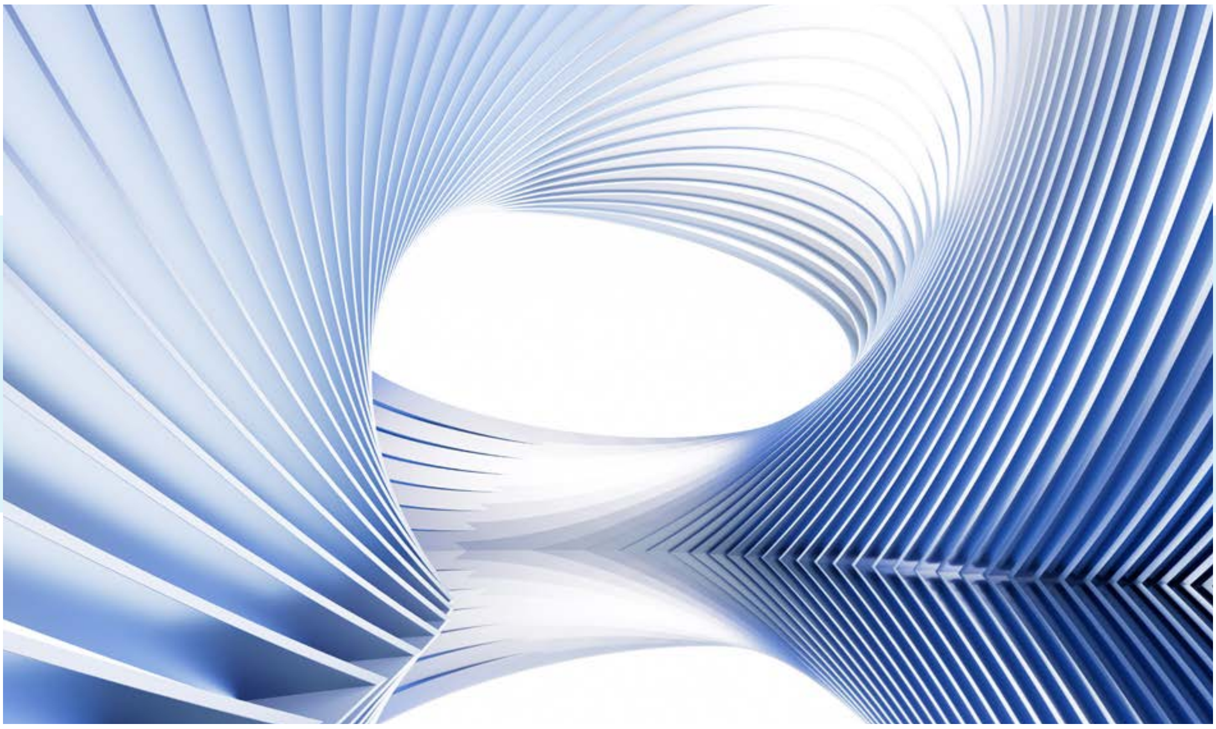
INTRODUCTION

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 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 of the Parent Company and of all the subsidiaries, as well as the other executives with strategic responsibilities identified in the "Relevant Personnel" area.

(€/000)

Remuneration breakdown	12/31/2022
Short-term benefits	7,657
Post-employment benefits	211
Share-based payments	4,241
Total	**12,109**

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.

(€/000)

Financial Transactions	Amount related to "Other related parties"	Total as per financial statement	% of financial statement total
Non-current financial assets	2,312	53,604	4.3%
Trade receivables	9,277	200,143	4.6%
Total assets	**11,589**	**253,747**	**4.6%**
Trade payables	37	70,381	0.1%
Total liabilities	**37**	**70,381**	**0.1%**

(€/000)

Costs/Revenues	Amount related to "Other related parties"	Total as per financial statement	% of financial statement total
Revenue from contracts with customers	36,090	515,934	7.0%
Other revenues	4,264	43,846	9.7%
Personnel expenses	276	(231,149)	-0.1%
Administrative expenses	(80)	(100,412)	0.1%
Depreciation, amortisation and impairment	(90)	(71,153)	0.1%
Financial (Expense)/Income	1,101	(49,757)	-2.2%
Total	**41,561**	**107,309**	**38.7%**

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 other **related parties** relate to:

- Securitisation SPVs: the Group carries out Master Servicing and Structuring activities: i.e. administrative, accounting, cash management and reporting services in support of the securitisation of loans; structuring services for securitisation transactions under Italian Law 130/1999 as well as performing the role of authorised entity in securitisation transactions. 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 for this category of customers amounts to €35.9 million, while sundry revenues are equal to €3.4 million with corresponding trade receivables of €8.2 million as at December 31, 2022; for the vehicles Romeo SPV and Mercuzio Securitisation, for which the Group holds ABS notes, €2.3 million of financial assets and €1.1 million of financial income are also recorded;
- Torre SGR S.p.A.: the company rented the Group 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 €80 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 €636 thousand, in addition to having trade receivables of €570 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 period of €419 thousand and trade receivables of €437 thousand.

Annexes

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

(€)	doValue S.p.A.		Subsidiaries	
Type of services	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**

PUBLIC GRANTS 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. and its subsidiaries based in Italy 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.
The Group'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 L. 160/2019)	327,452
Total	**632,480**

Certifications and Reports

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Consolidated 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 consolidated 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 Consolidated 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 and of the group of companies included in the scope of consolidation;

3.2 the management report includes a reliable analysis of the management trend and result, as well as the situation of the issuer and the group of companies included in the consolidation, 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

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doValue S.p.A.

Consolidated 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 Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the doValue Group (the "Group"), 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 consolidated financial statements.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group 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 Consolidated Financial Statements* section of our report. We are independent of doValue S.p.A. (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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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We identified the following key audit matters:

Key Audit Matter	Audit Response
Estimate of the accrued portion of revenues relating to servicing contracts and related contractual obligations The Group 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. These revenues, presented in line item "Revenues from contracts with customers" of the consolidated income statement, are attributable to credit service management and to recovery services for approximately 47% of the total, to servicing for securitization transactions for approximately 39% of the total and to contractual real estate services for the residual portion. The aforementioned contracts also provide for detailed rights and obligations of the Group toward counterparties, which can generate potential liabilities deriving from any failure to fulfill the contractual obligations. 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 30% of total invoices to be issued and to 7% of "Total revenue" of the consolidated income statement. 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. The information on the management and recovery fees and the methods adopted for their estimation is reported in sections "Accounting policies", " Information on the Consolidated balance sheet" and " Information on the Consolidated income statement" of the notes to the consolidated financial statements.	Our audit procedures in response to the key audit matter, included, inter alia: • 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. Finally, we examined the adequacy of the information provided in the notes to the consolidated financial statements.

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Impairment test of goodwill and other intangibles related to servicing contracts

Intangible assets in the consolidated balance sheet at 31 December 2022 include goodwill for Euro 236,9 million and other intangible assets with a finite useful life for Euro 210,2 million, related to the value of multi-year servicing contracts that were accounted for following the acquisitions of Altamira Asset Management (now doValue Spain Servicing) in 2019 and Eurobank FPS (now doValue Greece) in 2020, both operating in the non-performing loans servicing sector under Special and Master Servicing contracts with counterparties of high standing.

The goodwill, not subject to systematic amortization, and the other intangible assets, subject to systematic amortization, as per IAS 36 "Impairment of Assets", are subject at least annually to an impairment test by comparing the carrying value of the CGU, which includes the goodwill and the other intangible assets related to the servicing contracts, and the recoverable amount calculated based on the expected cash flows from the servicing contracts.

The management of the Parent Company doValue S.p.A. has identified the "value in use" as the recoverable amount of the CGU to be used in the impairment test, determined through a process by discounting expected cash flows and assumptions that by their nature imply the use of judgements by the Directors.

In this respect, for the purpose of estimating the expected cash flows, management used the Budget 2023 approved by the Directors on 22 December 2022, data from the Group's Business Plan 2022-2024 approved by the Directors on 25 January 2022 data, and considered the expected cash flows of each servicing contract.

Considering the significance of the balances related to goodwill and other intangible assets for the consolidated financial statements as a whole, and the subjectivity of the assumptions used by the Directors in estimating the recoverable amount of the CGU, we determined the impairment test of the goodwill and of the other intangible assets to be a key audit matter.

The information on the impairment test is provided in the sections "Accounting policies" and "Information on the consolidated balance sheet" of the notes to the consolidated financial statements.

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

- understanding the method used by the Parent Company doValue S.p.A. for determining the recoverable amount in the context of the impairment test process approved by the Directors and related key controls;
- comparing data used for the impairment test with those presented in the Budget 2023, in the Group's Business Plan 2022-2024 and in other estimates of expected cash flows from the servicing contracts, to verify that they are substantially aligned;
- analysis of the reasonableness of the economic forecast included in the Group's Business Plan 2022-2024 and of the estimates of expected cash flows from the servicing contracts used in the impairment test of goodwill;
- assessment, with the support of our valuation experts, of the appropriateness of the methodology and the reasonableness of the assumptions used by the Directors for determining the recoverable amount, as well as the verification of the mathematical accuracy of the related calculations and performing sensitivity analysis over key assumptions.

Finally, we examined the adequacy of the information provided in the notes to the consolidated financial statements.

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

The Directors are responsible for the preparation of the consolidated 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 Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company doValue S.p.A. 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 Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 Group to cease to continue as a going concern;

- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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 consolidated 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 consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

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Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

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 the Group as at 31 December 2022, including their consistency with the related consolidated 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 consolidated financial statements of the Group 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 consolidated financial statements of the Group 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.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated 30 December 2016

The Directors of doValue S.p.A. are responsible for the preparation of the non-financial information pursuant to Legislative Decree n. 254, dated 30 December 2016. We have verified that non-financial information has been approved by the Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated 30 December 2016, such non-financial information is subject to a separate compliance report signed by us.

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.

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